



2021

Half-year financial report

Half-year position as of June 30, 2021

The financial statements below were approved by the Board of directors on September 14, 2021 and are the subject of a limited review report by the Statutory auditors.

Half-year management report

Activities and results of the Gaumont group

The first half of 2021, like 2020, was marked by the consequences of the Covid-19 health crisis in France and in all the countries where the Group operates. In contrast to the first half of 2020, shootings were able to take place at a normal pace in the first half of 2021, in compliance with the applicable health standards. However, movie theaters remained closed to the public for a period varying from one country to another - nearly 20 weeks in the first half of 2021 in France - or had to limit attendance to a percentage of capacity. The film release schedule has been adapted as a result.

Key figures

	06.30.21		06.30.20		Change
	in thousands of euros	as a % of revenue	in thousands of euros	as a % of revenue	
Revenue	68,950	100%	69,900	100%	-1%
Income from French movie production and distribution ⁽¹⁾	10,163	15%	15,068	22%	-33%
Income from audiovisual production and distribution ⁽¹⁾	6,002	9%	3,239	5%	85%
Consolidated income attributable to owners of the parent	-6,246	-9%	-5,911	-8%	
Investments in cinema production	18,518	27%	5,529	8%	239%
Investments in television production	46,829	68%	36,225	52%	29%

(1) Excluding overheads.

	06.30.21	12.31.20	Change
Equity attributable to owners of the parent company	206,220	219,703	-3%
Net borrowings ⁽¹⁾	31,841	-10,562	234%

(1) Excluding IFRS 16 debt.

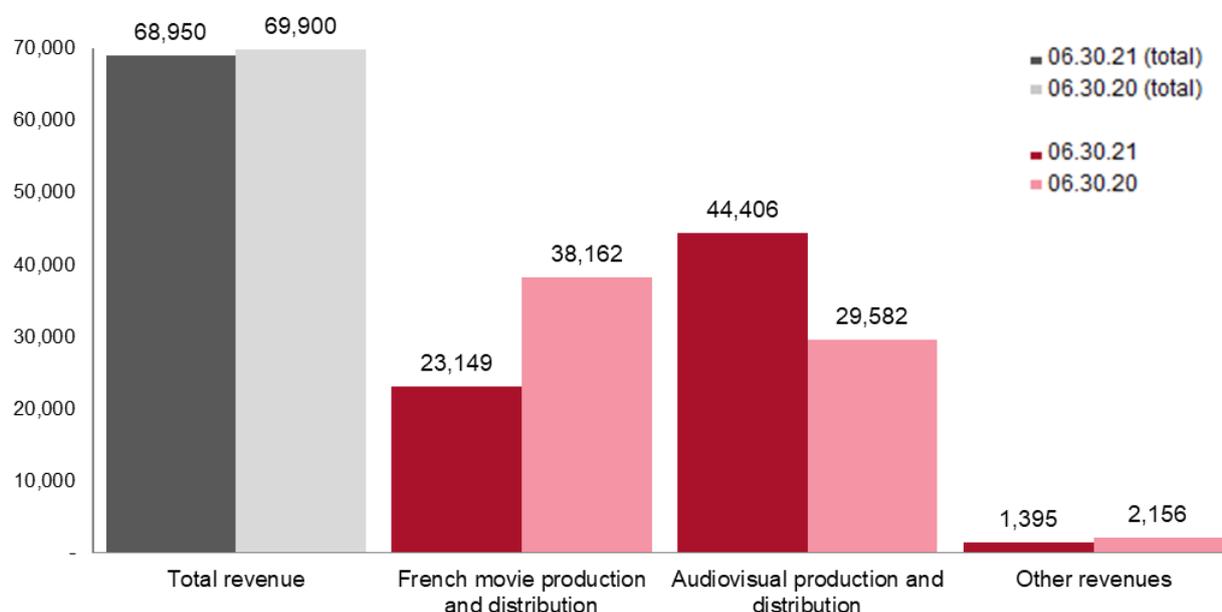
Consolidated results

Revenue and income by business activity

Consolidated revenue for the first half of 2021 totaled k€68,950, versus k€69,900 as of June 30, 2020.

Revenue by business activity breaks down as follows:

in thousands of euros

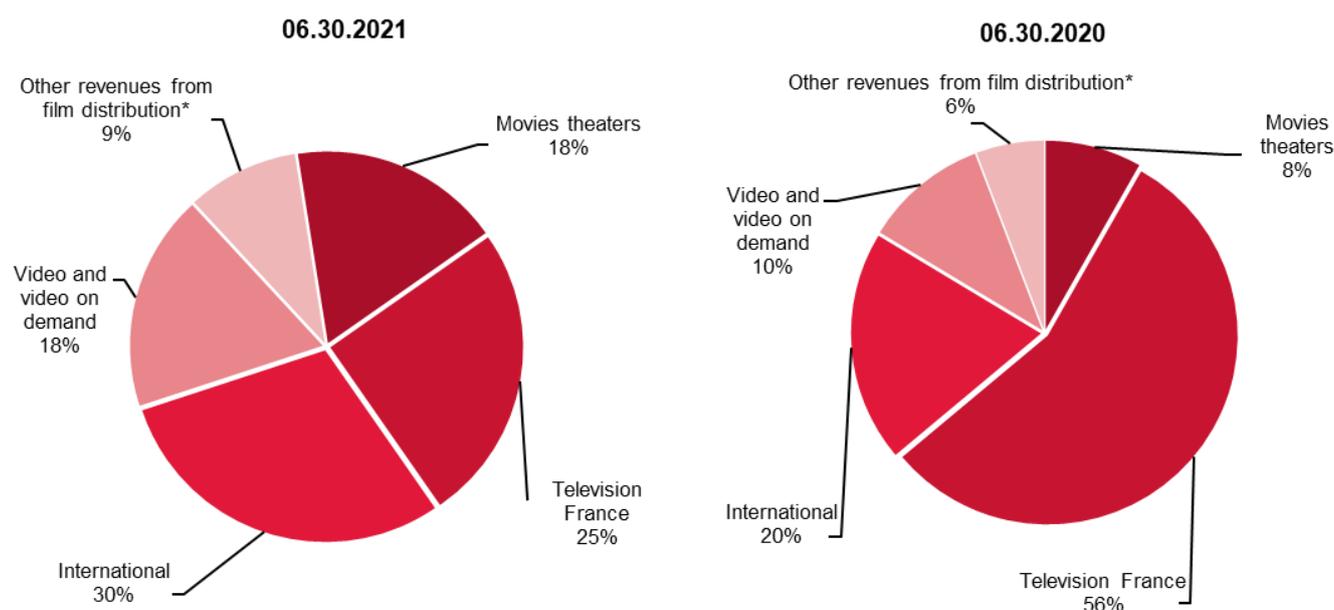


Consolidated income attributable to owners of the parent resulted in a loss of k€6,246 as of June 30, 2021, against a loss of k€5,911 as of June 30, 2020.

Movie production and distribution

Revenues from the movie and distribution business amounted to k€23,149 as of June 30, 2021 compared to k€38,162 as of June 30, 2020, while income from the business, including dedicated financing costs, before overheads, amounted to k€10,163 in the first half of 2021, compared to k€15,068 in the first half of 2020.

Revenue from the movie production and distribution business breaks down by operating medium as follows:



* Primarily includes spin-off products, music publishing and the GP Archives business

Movie theater distribution

Revenue from the release of films in movie theaters in France stood at k€4,110 as of June 30, 2021, compared to k€3,128 as of June 30, 2020.

French theaters remained closed to the public between October 30, 2020 and May 19, 2021 due to the health crisis, i.e. 20 weeks of closure in the first half of 2021 compared to 14 in the first half of 2020. As a result, only two films were screened in the first half of 2021:

- *Bye Bye Morons* by Albert Dupontel, with Virginie Efira, Albert Dupontel and Nicolas Marié, released in theaters on October 21, 2020, whose screening continued when theaters reopened;
- *Family Swap* by Jean-Patrick Benes, with Franck Dubosc and Alexandra Lamy, released in theaters on June 30, 2021.

These two films achieved 1.1 million admissions despite the application of audience limits. In the first half of 2020, four films and films released in 2019 and still in theaters in the first quarter of 2020 had achieved 1.2 million admissions.

Sales of television broadcasting rights in France

Revenue related to sales of broadcasting rights to French television channels amounted to k€5,813 as of June 30, 2021, versus k€21,249 as of June 30, 2020.

French channels had largely increased their movie broadcasting during the lockdown in the first half of 2020 to make up for the lack of sports programs and new series. This effect was not repeated in 2021. Indeed, Revenue for the first half of 2020 corresponds to the opening of screening windows of 81 films, compared with 140 films in the first half of 2020.

Revenue related to first television broadcast rights for the movies *Tout Simplement Noir* and *Three Days and a Life* contributed to the revenue of the first half of 2021 for k€1,129.



Video publishing and video on demand

Revenue from video-on-demand and video publishing amounted to k€4,216 as of June 30, 2021 compared to k€4,031 as of June 30, 2020.

The lockdown in the first half of 2020 had a favorable effect on sales of movies on VOD, strengthened by an exemption that authorized the accelerated VOD release of films released in theaters in the first quarter of 2020. In the first half of 2021, there was an increase in sales to subscription video platforms. The best-selling title in VOD in the first half of 2021 was *Tout Simplement Noir*.

Sales of physical video media are up compared to the first half of 2020, which was marked by the closure of physical stores during lockdowns.

International sales of rights

Revenue from the distribution of movies for export amounted to k€6,844 as of June 30, 2021 compared to k€7,551 as of June 30, 2020. The decrease in the volume of activity is mainly due to the absence of new titles, in connection with the closure of theaters and the low number of releases since the beginning of 2020. The most successful new export titles in the first half of 2021 were *Family Swap* and *Tout Simplement Noir*. Revenue from titles in the export catalog was up compared to the first half of 2020. Remake rights were also sold during the period.

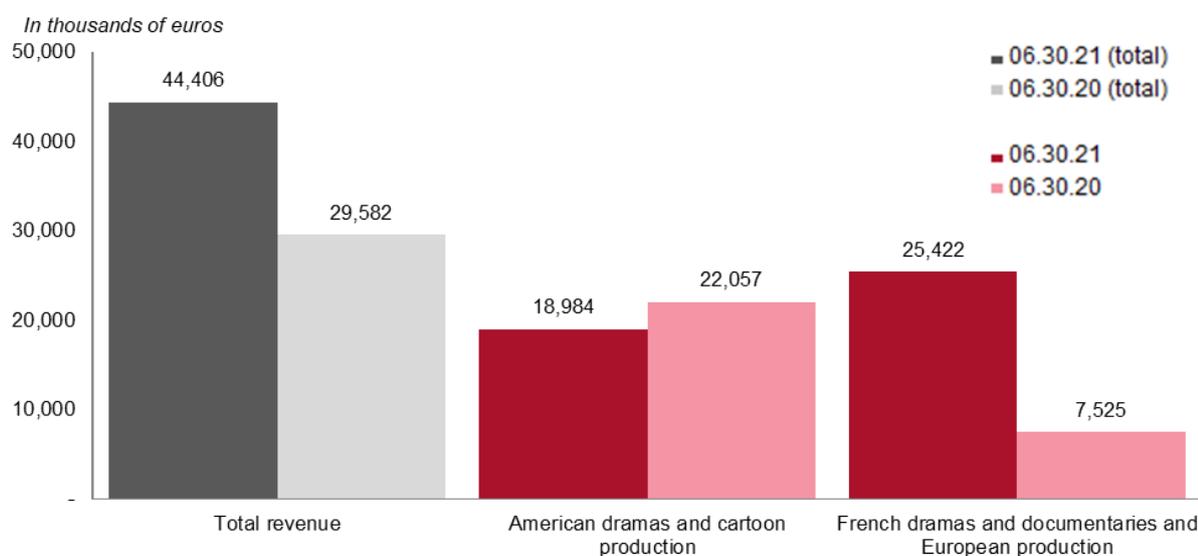
Other movie distribution income

Revenue from these distribution channels amounted to k€2,166 as of June 30, 2021 compared to k€2,193 as of June 30, 2020. It includes revenues from the sales of goods, distribution of archival images by GP Archives, music publishing, sales of spin-off products and income related to exhibition.

Production and distribution of audiovisual programs

Revenue from the production and distribution of audiovisual works amounted to k€44,406 as of June 30, 2021 compared to k€29,582 as of June 30, 2020, while income from the business, including dedicated financing costs, before overheads, amounted to k€6,002 in the first half of 2021, compared to k€3,239 in the first half of 2020.

Revenue by business activity breaks down as follows:



Four programs were delivered in the first half of 2021, compared to two in the first half of 2020:

- the youth animated series *Stillwater* partially delivered to Apple;
- the French drama series *Plan B* delivered to TF1;
- the last episodes of the first season of French drama series *Lupin: in the Shadow of Arsene*, delivered to Netflix;
- the German drama unit *Frau Sonntag bewährt sich*, delivered to ARD.

Revenue and income include income and expenses recognized according to the percentage of completion of a certain number of ongoing productions, such as the series *Opérations Totems*, in production in France for Amazon, and the feature film *High in the Clouds*, in production in the United States for Netflix. Production on behalf of third parties accounts for more than 60% of the activity's half-year revenue.

Holding and real estate activities

Revenue from holding company and real estate activities amounted to k€738 as of June 30, 2021 compared to k€1,223 as of June 30, 2020 and income, including dedicated financing costs, before overheads, amounted to k€1,404 in the first half of 2021



compared to k€759 in the first half of 2020. Income notably includes the capital gain on the disposal of a real estate asset located in the Paris region. Income from trademark royalties was down in the first half of 2021 due to the closure of theaters in France for a longer period than in the first half of 2020.

Overheads and other comprehensive income

Revenue mainly related to services provided on behalf of third parties amounted to k€657 as of June 30, 2021 compared to k€933 as of June 30, 2020. The net overheads of the various operating activities as well as the functional and central services amounted to k€22,593 in the first half of 2021 compared to k€22,720 in the first half of 2020. In France, the Group benefited of subsidies for the financing of overheads and the furlough mechanism in the context of the health crisis and lockdown for approximately k€500 in the first half of 2021.

The net costs of financing general needs amounted to k€1,697 as of June 30, 2021, versus k€1,670 as of June 30, 2020.

Income included a current income tax expense of k€36 as of June 30, 2021 versus k€34 as of June 30, 2020 and deferred tax income of k€510 as of June 30, 2021 versus a deferred tax expense of k€569 as of June 30, 2020.

Cash and financial structure

As of June 30, 2021, Gaumont had a cash position of k€140,865, compared with k€114,374 at the beginning of the period, a positive change of k€26,491.

Cash flows from operating activities and investments

The Group's business activities generated k€55,170 in net cash flows as of June 30, 2021, compared to k€40,996 as of June 30, 2020.

Net investments totaled k€71,850 as of June 30, 2021, versus -k€4,906 as of June 30, 2020. As of June 30, 2020, net investments included the early payment by Pathé of the final installment of k€63,333 on the disposal of the shares in Les Cinemas Gaumont Pathé.

Investments in cinematographic and television works

Investments in cinematographic and television works amounted to k€65,347 as of June 30, 2021, compared with k€41,754 as of June 30, 2020. Of this, movies for theaters accounted for k€18,518 and television programs k€46,829. Investments returned to a normal level as of June 30, 2021, whereas interruptions of shootings all over the world due to the health crisis, in particular on *Narcos season 6*, led to a decrease in investments as of June 30, 2020.

Investments in subsidiaries and equity interests

No investments in subsidiaries and equity interests had taken place as of June 30, 2021.

Cash flows from financing operations and financial structure

In respect of financing transactions, the first half of 2021 saw an increase in debt amounting to k€45,437, with in particular the drawdown of the State-guaranteed loan as of k€25,000 and the payment of interest on borrowings for k€1,237.

Equity

Consolidated equity (Group share) stood at k€206,220 as of June 30, 2021, versus k€213,346 as of December 31, 2020, giving a total consolidated financial position of k€562,349, versus k€505,216 at the end of the previous year.

Net borrowings

The group's net borrowings were k€31,841 as of June 30, 2021, versus k€9,532 as of December 31, 2020. This mainly includes positive k€140,888 in cash, the Gaumont SA bond for k€60,000 and k€79,223 of self-liquidating production loans based on proceeds from pre-financing and the sales of American and German series.

Net borrowings do not include lease liabilities under IFRS 16, which amounted to k€11,950 as of June 30, 2021, compared with k€13,223 as of December 31, 2020.

In France, based on its growth policy, Gaumont estimates that its available cash, operating cash flows, bond and renewable credit facility will cover its financing requirements, excluding any acquisitions.

In the United States, the Group is continuing to take out bank loans to finance its productions and uses assignments of receivables to fund new projects. These borrowings are guaranteed exclusively through assets held by the American subsidiaries without any recourse against the Group in France.

For its European subsidiaries, Gaumont has also subscribed to bank loans to finance its productions, along the lines of the model adopted for American productions.

The Group believes that it has adequate means to honor its commitments and to guarantee the continuity of its business.



Bonds

For its general needs, Gaumont has a bond in the form of a listed euro private placement (EuroPP) totaling k€60,000, with three financial ratios to be met every six months. These ratios are presented in note 9.6 to the half-year consolidated financial statements.

Bank loan

Gaumont have subscribed a State-guaranteed loan for a total amount of k€25,000 in 2021 first semester.

Gaumont have also subscribed in 2021 first semester a bank loan including a refinancing loan of k€37,500 for the refinancing of the thirteenth tranche of the bond loan presented above and a revolving loan of k€62,500 to finance its general needs. The terms of these two loans are linked to three financial ratios calculated half-yearly. These ratios are presented in note 9.6 to the half-year consolidated financial statements. The pledge of several titles in the catalog for the benefit of the lending institutions is a condition for the drawdown of these loans. No drawdowns had been made on the revolving credit facility and the refinancing loan as of June 30, 2021 and Gaumont have an unused amount available for drawing of k€100,000.

Self-liquidating production loans

To finance American series, the production companies take out loans with American credit institutions specialized in financing the audiovisual industry. Each of these loans is exclusively allocated to financing a series and is guaranteed, until the amount borrowed, interest and related charges are recovered, by pledging the assets financed and all of the pre-sales, tax credit and sales contracts, with no further guarantee given. The loans include a completion guarantee contract signed with a company specialized in audiovisual production.

The two outstanding loans totaling k\$121,422 were granted to finance season 6 of *Narcos* and season 5 of *F is For Family*. As of June 30, 2021, there was a cumulative outstanding balance of k\$87,912 and a total available balance of k\$33,511.

Assignments of receivables

In order to finance French productions, Gaumont makes occasional use of the assignment of receivables under the Dailly Law. Assignments within the framework of these contracts are generally linked to pre-financing the production, such as pre-sales to the main broadcaster, contributions of co-producers, or allowance from the support funds to the audiovisual industry. As of June 30, 2020, no receivables were assigned on this basis in the French companies.

In the United States, Gaumont entered into a global agreement for the assignment of receivables for a maximum authorized amount of k\$50,000 maturing on June 2, 2025. This line of credit is based on the series' operating receivables, with the exception of receivables pledged to production loans. The interest is variable and Libor-based. As of June 30, 2021, the liability related to this contract amounted to k\$52, and the unused amount of this loan stood at k\$7,865.

Other borrowings

Other borrowings included, in particular, debt to Caisse des dépôts et consignations in respect of its investment in the back catalog restoration and digitization program, which totaled k€4,263 as of June 30, 2021.

In the United States, Gaumont has applied for funding set up for the health crisis by the federal agency responsible for supporting small businesses. The funding obtained, which amounts to k\$704, is in the form of two-year loans bearing 1% interest. Subject to the final repayment terms, which are still to be defined by the US administration, the government could take over some or all of this debt for Gaumont, which would then take the form of a subsidy.

Outlook, risks and uncertainties

The measures adapted to the health crisis to organize work and shootings implemented in 2020 were still in place in the first half of 2021 and the Group intends to continue its production of new works and distribution of the catalog in the second half of 2021, adapting to any changes in the situation.

The main uncertainty relates to the opening conditions and attendance at movie theaters in France and worldwide in 2021.

Three films have been released since June 30, 2021:

- *From Africa with love*, by Nicolas Bedos, with Jean Dujardin, Pierre Niney, Fatou N'Diaye, released on August 4;
- *Fantasies*, by Stéphane and David Foenkinos, with Karin Viard, Jean-Paul Rouve and Ramzy Bedia, released on August 18;
- *Hold me Tight*, by Mathieu Amalric, with Vicky Krieps and Arieh Worthalter, released on September 8.

The sudden introduction of the health pass in France, which at the time was not available to the majority of 18-35 year olds, seriously affected the attendance of films released in August, and led to an impairment of k€1,500 in half-year consolidated financial statements.

Four more films are scheduled for a release in the second half of 2021:

- *Lost Illusions*, by Xavier Giannoli, with Benjamin Voisin, Cécile de France, Vincent Lacoste, Xavier Dolan, Jeanne Balibar and Gérard Depardieu;
- *Aline!* by Valérie Lemerrier, with Valérie Lemerrier, Sylvain Marcel and Danielle Fichaud;
- *The Accusation*, by Yvan Attal, with Ben Attal, Suzanne Jouannet, Charlotte Gainsbourg;



- *Vicky and her Mystery*, by Denis Imbert, with Vincent Elbaz and Marie Gillain.

The release of 11 films, which the production is still in progress or completed, is already scheduled in 2022.

Twelve audiovisual programs should be delivered by December 31, 2021:

- *Narcos Mexico - Season 3*, for Netflix (American production, in postproduction);
- *Stillwater*, for Apple (youth animation, delivery of the final episodes);
- *F is for Family - Season 5*, for Netflix (American adult animation, in postproduction);
- *Do, Re & Mi*, for Amazon (American production, in postproduction);
- *Bionic Max*, for Gulli (youth animated production, delivery in progress);
- *Westwall*, for ZDF (German production, in postproduction);
- *Nona and her daughters*, for Arte and SWR (French series, delivered);
- *Die Wespe*, for Sky (German production, in postproduction);
- *What Pauline does not tell you*, for France Télévisions (French series, in postproduction);
- *The Art of Crime - Season 5*, for France Télévisions (French series, in postproduction);
- *Lords of Scam*, for Netflix (French documentary series, delivered).

Gaumont is not aware of any risks and uncertainties other than those referred to in the outlook above for the current year.



Half-year consolidated financial statements

Consolidated income statement

<i>(in thousands of euros)</i>	Note	06.30.21	06.30.20
Revenue	4.2	68,950	69,900
Purchases		-676	-358
Personnel costs	4.4	-22,164	-19,243
Other current operating income and expenses	4.3	-28,672	-19,666
Depreciation, amortization, impairment and provisions		-24,836	-34,870
Current operating income (loss)		-7,398	-4,237
Other non-current operating income and expenses		1,463	-1
Operating income (loss)		-5,935	-4,238
Share of net income of associates		-	-
Operating income after share of net income of associates		-5,935	-4,238
Gross borrowing costs		-2,938	-3,393
Income from cash and cash equivalents		50	-
Net borrowings costs		-2,888	-3,393
Other financial income and expenses	9.5	2,103	2,323
Net income (loss) before tax		-6,720	-5,308
Income tax	11	474	-603
NET INCOME		-6,246	-5,911
Share attributable to non-controlling interests		-	-
Share attributable to the shareholders of the parent company		-6,246	-5,911
Earnings per share attributable to the shareholders of the parent company			
- Average number of shares in circulation	9.1	3,119,923	3,119,923
- In euros per share		-2.00	-1.89
Diluted earnings per share attributable to the shareholders of the parent company			
- Average potential number of shares	9.1	3,132,311	3,131,832
- In euros per share		-1.99	-1.89



Consolidated statement of comprehensive income

<i>(in thousands of euros)</i>	06.30.21	06.30.20
Net income	-6,246	-5,911
Translation adjustments of foreign operations	-1,774	176
Share in currency adjustments of foreign operations of associates	-	-
Changes in fair value of available-for-sale financial assets	-	-
Changes in fair value of cash flow hedging instruments	451	-3,456
Changes in fair value of net foreign investment hedging financial instruments	759	-
Share of changes in fair value of hedging financial instruments of associates	-	-
Income tax on gains and losses recognized directly in equity	-316	968
Other elements of comprehensive income that could be reclassified later in net income	-880	-2,312
Changes in asset revaluation surplus	-	-
Actuarial gains (losses) on defined benefit plans	-	-
Share of actuarial gains and losses on the defined benefit plans of associates	-	-
Income tax on gains and losses recognized directly in equity	-	-
Other elements of comprehensive income that cannot be reclassified in net income	-	-
Total of other elements of comprehensive income after taxes	-880	-2,312
COMPREHENSIVE INCOME FOR THE PERIOD	-7,126	-8,223
Share attributable to non-controlling interests	-	-
Share attributable to the shareholders of the parent company	-7,126	-8,223



Consolidated statement of financial position

Assets (in thousands of euros)	Note	06.30.21	12.31.20
Goodwill	3.2	12,035	12,035
Films and audiovisual rights	5.1	203,728	158,344
Other intangible assets		143	166
Investment properties	6.1	45,830	42,756
Right-of-use assets arising from leased properties	6.1	10,237	11,362
Other property, plant and equipment	6.1	19,991	20,771
Non-current financial assets		2,167	167
Non-current deferred tax assets		4,173	3,761
Non-current assets		298,304	249,362
Inventories		347	356
Trade receivables and contract assets	5.2	66,786	84,853
Current income tax assets		7,385	8,742
Other receivables and current financial assets	5.2	48,639	47,502
Cash and cash equivalents	9.2	140,888	114,401
Current assets		264,045	255,854
TOTAL ASSETS		562,349	505,216

Liabilities and equity (in thousands of euros)	Note	06.30.21	12.31.20
Capital		24,959	24,959
Retained earnings and comprehensive income		181,261	188,387
Equity attributable to the shareholders of the parent company		206,220	213,346
Non-controlling interests		-	-
Equity	9.1	206,220	213,346
Non-current provisions	10.1	9,621	9,249
Non-current borrowings	9.2	101,504	82,425
Non-current deferred tax liabilities		3,024	2,821
Other non-current liabilities	4.3	-	-
Non-current liabilities		114,149	94,495
Current provisions	10.1	703	708
Current borrowings	9.2	83,292	54,731
Trade payables	5.3	10,655	11,241
Current income tax liabilities		-	-
Other payables	5.3	83,353	84,523
Deferred income and contract liabilities	5.3	63,977	46,172
Current liabilities		241,980	197,375
TOTAL LIABILITIES		562,349	505,216



Consolidated statement of changes in equity

Changes in equity (in thousands of euros)	Attributable to the shareholders of the parent company						Total	Attributable to non-controlling interests	Total equity
	Number of shares	Capital	Additional paid-in capital ⁽¹⁾	Treasury shares	Retained earnings	Other comprehensive income			
AS OF DECEMBER 31, 2020	3,119,923	24,959	5,278	-257	162,897	20,469	213,346	-	213,346
Net income for the year	-	-	-	-	-6,246	-	-6,246	-	-6,246
Other comprehensive income	-	-	-	-	-	-880	-880	-	-880
Comprehensive income for the year	-	-	-	-	-6,246	-880	-7,126	-	-7,126
Transactions on share capital	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Elimination of treasury shares	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Transactions with shareholders	-	-	-	-	-	-	-	-	-
AS OF JUNE 30, 2021	3,119,923	24,959	5,278	-257	156,651	19,589	206,220	-	206,220

(1) Issue premiums, contribution premiums, merger premiums, legal reserves.

Changes in equity (in thousands of euros)	Attributable to the shareholders of the parent company						Total	Attributable to non-controlling interests	Total equity
	Number of shares	Capital	Additional paid-in capital ⁽¹⁾	Treasury shares	Retained earnings	Other comprehensive income			
AS OF DECEMBER 31, 2019	3,119,923	24,959	5,278	-257	181,850	18,362	230,192	-	230,192
Net income for the year	-	-	-	-	-5,911	-	-5,911	-	-5,911
Other comprehensive income	-	-	-	-	-	-2,312	-2,312	-	-2,312
Comprehensive income for the year	-	-	-	-	-5,911	-2,312	-8,223	-	-8,223
Transactions on share capital	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Elimination of treasury shares	-	-	-	-	-	-	-	-	-
Other ⁽²⁾	-	-	-	-	-2,266	-	-2,266	-	-2,266
Transactions with shareholders	-	-	-	-	-2,266	-	-2,266	-	-2,266
AS OF JUNE 30, 2020	3,119,923	24,959	5,278	-257	173,673	16,050	219,703	-	219,703

(1) Issue premiums, contribution premiums, merger premiums, legal reserves.

(2) Mainly the impact of the purchase of non-controlling interests of Gaumont Television USA LLC.



Consolidated statement of cash flows

<i>(in thousands of euros)</i>	Note	06.30.21	06.30.20
Operating activities			
Consolidated net income (including non-controlling interests)		-6,246	-5,911
Net allowances for depreciation, amortization, impairment and provisions		24,999	34,941
Unrealized gains and losses related to changes in fair value	9.5	1,238	-3,949
Other calculated income and expenses		-1,365	156
Gains and losses on disposal of assets		-1,463	-1,310
Share of net income of associates		-	-
Cash flow from operating activities after tax and net borrowing costs		17,163	23,927
Net borrowings costs		2,888	3,393
Tax expenses (income) - including deferred tax		-474	603
Cash flow from operating activities before tax and net borrowing costs		19,577	27,923
Tax paid		6,453	-190
Change in working capital requirement related to operating activities	5.4	29,140	13,263
(A) Net cash flow from operating activities		55,170	40,996
Investment activities			
Proceeds from sales of fixed assets		1,711	1,425
Acquisition of fixed assets		-71,028	-44,634
Change in liabilities on investments		-2,533	-6,444
Net impact of changes in scope, net of cash acquired		-	-2,266
Change in liabilities and receivables on acquisitions of consolidated securities		-	56,825
(B) Net cash flow from investment activities	8	-71,850	4,906
Financing operations			
Gaumont SA capital increase		-	-
Dividends paid to Gaumont SA shareholders		-	-
Repayment of capital to non-controlling shareholders of consolidated companies		-	-
Dividends paid to non-controlling interests in consolidated companies		-	-
Change in treasury shares		-	-
Change in borrowings		45,437	1,804
Interest paid on borrowings		-1,237	-1,566
Operating and finance lease payments and related interest		-1,711	-1,623
(C) Net cash flow from financing operations	9	42,489	-1,385
(D) Impact of changes in foreign exchange rates		682	61
NET CHANGE IN CASH & CASH EQUIVALENTS: (A) + (B) + (C) + (D)		26,491	44,578
Cash and cash equivalents at beginning of period		114,401	85,773
Bank overdraft at beginning of period		-27	-149
Cash position at beginning of period		114,374	85,624
Cash and cash equivalents at end of period		140,888	130,355
Bank overdraft at end of period		-23	-153
Cash position at end of period		140,865	130,202
NET CHANGE IN CASH & CASH EQUIVALENTS		26,491	44,578



Notes to the consolidated financial statements

1. Impacts of the health crisis

The first half of 2021 was marked by the consequences of the health crisis that began in March 2020 in France and in all countries where the Group operates. While filming took place in 2021 at a normal pace and in compliance with the applicable health standards, movie theaters remained closed to the public for a period varying from one country to another, or saw their attendance limited to a percentage of capacity. In France, movie theaters remained closed for almost 20 weeks in the first half of 2021. The film release schedule has been adapted as a result. At this stage, the health crisis and its consequences have not led to a permanent loss of activity. Gaumont considers that it has sufficient resources to honor its commitments and ensure the continuity of its activities, particularly in view of its cash flow, limiting its net borrowings to a low level and with a significant drawdown capacity. In particular, Gaumont have set up a financing operation described in note 9.2.

Effects of this crisis on the consolidated revenue vary depending on the mode of exploitation of the works. For better clarity, their detailed description is provided in support of the revenue figures set forth in note 4.2.

Group assets have been considered with close attention with regard to a potential loss of value due to health crisis. No indication of impairment was detected for goodwill which relevant items of this analysis are described in note 3.2. Concerning feature films and audiovisual rights, the periodic review of revenue estimates did not reveal any indication of a decrease in their recoverable value compared to December 31, 2020. As a result, no impairment has been booked as of June 30, 2021.

Feature films in production or completed but not yet released in theaters at June 30, 2021 were the subject of estimates taking into account the development of the health crisis. Additional impairment losses of k€1,500 were recognized and are presented in note 5.1.

The other miscellaneous impacts of this crisis on financial items, including government support received, are presented in the various notes to the consolidated financial statements. Readers should refer in particular to notes 4.3, 4.4, 5.2, 5.3 and 6.1.

2. Accounting principles and methods

2.1. General principles

Gaumont's half-year consolidated financial statements as of June 30, 2021 were prepared in accordance with IAS 34: "Interim financial information". They highlight the main information from the period as defined in IAS 34 and must be read in conjunction with Gaumont's consolidated financial statements for the year ended December 31, 2020, included in the Universal Registration Document filed with the AMF on April 14, 2021.

The accounting principles used to prepare the half-year consolidated financial statements comply with IFRS standards and interpretations as adopted by the European Union on June 30, 2021, which are available at the website: <https://eur-lex.europa.eu>.

Gaumont's half-year consolidated financial statements as of June 30, 2021 were prepared using the same accounting principles and measurement methods that were used to prepare the annual consolidated financial statements for the year ended December 31, 2020, with the exception of newly applied standards and interpretations, which are listed below in Section 2.4.

The consolidated financial statements are presented in thousands of euros, unless otherwise specified.

Gaumont's half-year consolidated financial statements as of June 30, 2021 were approved by the Board of directors on September 14, 2021 and were the subject of a limited review by the Statutory auditors.

2.2. Measurement principles specifically for interim financial statements

Expenses and income determined on an annual basis were measured at the end of the period using the same principles that are used during year-end closing.

Employee benefits at the end of the period were measured based on balances showing in the statement of financial position at the beginning of the period and by using assumptions set at the beginning of the annual reporting period.

For the interim financial statements, income tax expense (current and deferred) is calculated by applying the average estimated annual rate for the year in progress to the accounting income for the period. Current income tax expense equals the amount of income tax owed to the tax authorities for the year as per tax law and as per the tax rates in force in the various countries.

2.3. Seasonal nature of the business

Gaumont would like to reiterate that its results are mainly tied to the number of releases and release schedule of its films in theaters, and to the deliveries of its new television series to broadcasters, as well as to the financing structure of its works. These elements may cause significant variations in income from one period to another.

As a result, the consolidated half-year results are not representative of the annual results.



2.4. Impact of IFRS and IFRIC interpretations applicable to the group from January 1, 2020

None of the standards and interpretations applicable from January 1, 2021 have an impact on the consolidated financial statements as of June 30, 2021. The determination of post-employment benefits provision does not take in account clarifications provided by IFRS IC in its last recommendation.

3. Scope of consolidation

3.1. Internal Group operations

As of January 1, 2021, Gaumont Distribution TV Llc merged with Gaumont Television USA Llc. All of its assets and liabilities were transferred to Gaumont Television USA Llc.

3.2. Goodwill

The production and distribution of animated films and series for younger audiences, a business with capitalized goodwill, was not materially affected by the health crisis in 2021 and its business plan has not been affected. Indeed, the activity is not subject to the shooting constraints, the delivery schedule is not subject to significant shifts and new projects have been initiated during the semester.

Accordingly, no indication of impairment was detected during the first half of 2021 for goodwill with positive carrying value. No changes in Goodwill measurement occurred during the period.

3.3. Seller warranties received

As of June 30, 2021, Gaumont no longer had any warranties given by sellers on the liabilities of acquired companies.

3.4. Main companies included in the scope of consolidation

Company and legal form	Registered office	Siren	% interest	% control	Consolidation method
Holding					
Gaumont SA	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	562 018 002			FC
Gaumont USA Inc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	100.00	100.00	FC
Cinema production and distribution					
Gaumont Films USA Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	100.00	100.00	FC
Gaumont Vidéo SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	384 171 567	100.00	100.00	FC
Gaumont Production SARL	50, avenue des Champs Elysées, 75008 Paris	352 072 904	100.00	100.00	FC
Editions la Marguerite SARL	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	602 024 150	100.00	100.00	FC
Gaumont Musiques SARL	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	494 535 255	100.00	100.00	FC
Production of television dramas and cartoon series					
Gaumont Television USA Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	100.00	100.00	FC
Gaumont Télévision SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	340 538 693	100.00	100.00	FC
Gaumont Animation SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	411 459 811	100.00	100.00	FC
Gaumont Animation USA Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	100.00	100.00	FC
Gaumont GmbH	Kämmergasse 39-41, 50676 Koln	Germany	100.00	100.00	FC
Gaumont Ltd	56, Berwick Street, London, W1F 8SW	United Kingdom	100.00	100.00	FC
Gaumont Production Télévision SARL	50, avenue des Champs Elysées, 75008 Paris	322 996 257	100.00	100.00	FC
Gaumont Production Animation SARL	49, rue Ganneron, 75018 Paris	825 337 900	100.00	100.00	FC
Audiovisual archive management					
GP Archives SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	444 567 218	100.00	100.00	FC

F.C.: Fully consolidated.



4. Transactions of the period

4.1. Segment reporting

The Group's organizational structure is based on its various businesses. Gaumont operates in three business sectors which are its operating segments:

- French movie production and distribution, Gaumont's historic activity in France;
- production and distribution of audiovisual programs via its subsidiaries in France, the United States and Europe;
- the group's central real estate management and coordination activities.

Segments used for segment reporting are the same as those used by Executive management, the chief operating decision maker of the Group. Operating segments are reported with grouping particularly in the operating segment of production and distribution of audiovisual programs which includes:

- production and distribution of American dramas;
- production and distribution of European dramas;
- production and distribution of French dramas and documentaries;
- Production and distribution of animated films and series for younger audiences.

The measurement methods for figures by operating segment are in line with the principles and policies used to prepare the consolidated financial statements.

	French movie production and distribution	Audiovisual production and distribution	Real estate and holding businesses	Indirect and unallocated costs	Total
06.30.21					
Revenue	23,149	44,405	738	658	68,950
Operating income from activities excluding overheads	10,163	6,002	1,404	-	17,569
Overheads	-7,736	-11,060	-	-5,493	-24,289
Income tax	-	-	-	474	474
NET INCOME	2,427	-5,058	1,404	-5,019	-6,246

	French movie production and distribution	Audiovisual production and distribution	Real estate and holding businesses	Indirect and unallocated costs	Total
06.30.20					
Revenue	38,152	29,582	1,223	943	69,900
Operating income from activities excluding overheads	15,068	3,239	758	-	19,065
Overheads	-7,216	-12,009	-	-5,148	-24,373
Income tax	-	-	-	-603	-603
NET INCOME	7,852	-8,770	758	-5,751	-5,911



4.2. Revenue

As of June 30, 2021, revenue by activity was as follows:

	06.30.21			06.30.20		
	France	Abroad	Total	France	Abroad	Total
French movie production and distribution	15,888	7,261	23,149	30,167	7,985	38,152
Movie theater distribution	4,110	-	4,110	3,128	-	3,128
Video publishing and video on demand	4,215	-	4,215	4,031	126	4,157
Television broadcasting rights	5,813	-	5,813	21,249	45	21,294
International sales	-	6,844	6,844	-	7,380	7,380
Other movie distribution income	1,750	417	2,167	1,759	434	2,193
Feature film production	-	-	-	-	-	-
Audiovisual production and distribution	3,614	40,791	44,405	7,236	22,346	29,582
Distribution of American dramas	120	2,315	2,435	728	18,477	19,205
Distribution of French dramas	3,265	124	3,389	61	40	101
Distribution of European dramas	-	7	7	-	1,796	1,796
Distribution of animated films and series	229	11,119	11,348	532	737	1,269
Drama production	-	22,025	22,025	5,915	-287	5,628
Animated series production	-	5,201	5,201	-	1,583	1,583
Real estate and holding businesses	504	234	738	969	254	1,223
Other miscellaneous revenue	657	1	658	943	-	943
TOTAL	20,663	48,287	68,950	39,315	30,585	69,900

Distribution revenue includes licensing and royalties received for proprietary or managed works.

Production income is derived from the production of works in which Gaumont retains no ownership or distribution rights.

French movie theaters remained closed to the public for 20 weeks due to the health crisis. As a result, only two films were screened in the first half of 2021, *Bye Bye Morons*, whose screening continued when theaters reopened and *Family Swap*. Sales of physical video media are up compared to the first half of 2020, which was marked by the closure of physical stores during the first lockdown. Sales of television broadcasting rights decreased due to exceptionally high level of sales in 2020 that led to a drop of number of titles available during 2021 half year.

Audiovisual production and distribution revenue includes revenue from the delivery of four series against two as of June 30, 2020 which was impacted by the interruption of shooting due to the health crisis.

Revenue broken down per the region of the entity generating it is as follows:

	06.30.21	06.30.20
French companies	47,709	46,969
European companies	2,596	1,509
American companies	18,645	21,422
TOTAL	68,950	69,900



4.3. Other current operating income and expenses

	06.30.21	06.30.20
Audiovisual support fund	2,107	2,211
Other subsidies	545	924
Audiovisual and cinema tax credit	2,808	4,311
Purchases of materials and supplies	-2,602	-2,896
Inventoried products	5	-23
Subcontracting	-11,247	-1,488
Rentals and rental expenses	-1,401	-1,466
Outside personnel, temporary personnel and fees	-3,596	-3,542
Other external expenses	-5,018	-6,131
Taxes and similar payments	-1,153	-1,345
Foreign exchange gains and losses on operating activities	1	-705
Copyrights, royalties and similar	-3,504	-5,781
Shares of co-producers and guaranteed minima	-4,298	-6,167
Income from the sale of operating assets	-	1,311
Other income and expenses	-1,319	1,121
NET OTHER CURRENT OPERATING INCOME/EXPENSES	-28,672	-19,666

As of June 30, 2021, other external expenses included k€2,384 in purchases of studies and services related to cinematographic and television project development, versus k€3,243 as of June 30, 2020.

Other subsidies includes k€ 268 of aids received from the solidarity funding plan set up by the French government due to health crisis.

Purchases of materials and supplies mainly consisted of expenses incurred related to distribution of films and series.

The change in support funds and author royalties is linked to the delivery schedule of the television programs and the success of the feature films released during the period. The audiovisual and cinema tax credits are recognized as and when the works that generate them are amortized.

Lease expenses correspond to contracts excluded from the scope of IFRS 16 owing to their duration or the absence of a commitment towards the lessor. Leases that meet the definition under IFRS 16 are capitalized in the statement of financial position.

4.4. Personnel costs

	06.30.21	06.30.20
Gross compensation	-16,121	-14,229
Social security contributions	-5,611	-4,587
Employee profit-sharing	-197	-199
Pensions and similar benefits	-235	-228
Share based payments expense	-	-
TOTAL	-22,164	-19,243

Compensation includes k€4,546 in salaries paid to contract workers employed in the production to order of films and series as of June 30, 2021, compared with k€3,006 as of June 30, 2020. Related social security contributions totaled k€2,064 as of June 30, 2021, versus k€1,280 as of June 30, 2020.

The Group also took advantage of the furlough scheme in France during the first half of 2021, which resulted in a saving of k€234.



5. Assets and liabilities of the main activities

5.1. Films and audiovisual rights

	06.30.21	Movements of the period			12.31.20
		+	-	Other ⁽¹⁾	
Films and cinema rights	1,978,776	6,507	-	3,208	1,969,061
Television series, dramas and broadcasting rights	526,779	-	-	17,636	509,143
Animated films and series	246,952	-	-	10,347	236,605
Musical productions and publishing rights	2,942	-	-	-	2,942
Video games	1,525	-	-	-	1,525
Movies in production	32,885	12,011	-	-3,208	24,082
Television series and dramas in production	83,964	35,851	-	-1,856	49,969
Animated films and series in production	29,132	10,978	-	-8,148	26,302
Gross value	2,902,955	65,347	-	17,979	2,819,629
Films and cinema rights	-1,921,142	-8,835	-	-550	-1,911,757
Television series, dramas and broadcasting rights	-525,416	-4,433	-	-14,037	-506,946
Animated films and series	-244,681	-9,154	-	-1,475	-234,052
Musical productions and publishing rights	-2,935	-8	-	-	-2,927
Video games	-1,525	-	-	-	-1,525
Movies in production	-2,600	-	-	550	-3,150
Television series and dramas in production	-110	-	-	-	-110
Animated films and series in production	-818	-	-	-	-818
Amortization and impairment losses	-2,699,227	-22,430	-	-15,512	2,661,285
NET VALUE	203,728	42,917	-	2,467	158,344

(1) Changes in scope, transfers between items and foreign currency translation adjustments.

Investments for the period relate to films from the 2021 and 2022 line-up and series currently in production, which will be delivered in late 2021 and in 2022.

Feature films released between June 30, 2021 and approval by the board was subject to an additional impairment of k€1,500 as a result of the implementation of the health pass and its negative effect on movie theaters summer attendance.

Revenue estimates relating to feature films not yet released at the approval by the board have not been downgraded compared to estimates used at December 31, 2020, due to the temporary nature of the health pass effects which the Group has observed a mitigation over the last few weeks that saw the strong increase of vaccination in France. As a reminder, as of December 31, 2020, the value of feature films in progress and feature films completed but not yet released in movie theater were tested with the assumption of a reduction of 10% in the projected number of tickets sold that led to the recognition of an impairment of k€3,150.

As of December 31, 2020, additional sensitivity calculations were conducted on feature films in progress and feature films completed but not yet released in movie theater in order to take in account the fact that it's an unprecedented situation. The same sensitivity calculations were conducted as of June 30, 2021. A theoretical decrease of 10% in tickets sold would result in an additional amount of k€1,200 on the impairment balance as of June 30, 2021 compared with k€1,700 as of December 31, 2020.

Other changes include k€17,979 in foreign exchange gains and losses on the gross values of American series and k€15,512 on the amortization of these series.



5.2. Receivables and other current assets

	06.30.21	12.31.20
Trade receivables	65,340	80,738
Contract assets	1,732	4,409
Current financial assets	564	516
Current income tax assets	7,385	8,742
Current accounts	-	-
Receivables on asset sales	-	-
Other receivables	47,687	46,674
Prepaid expenses	1,018	942
Gross value	123,726	142,021
Trade receivables	-286	-294
Current financial assets	-	-
Current accounts	-	-
Other receivables	-630	-630
Impairment losses	-916	-924
NET VALUE	122,810	141,097

Outstanding trade receivables mainly consist of the portion of outstanding receivables related to pre-sales and sales of works distributed at the end of the period. The level of receivables is strongly impacted by the number and schedule for series deliveries and feature films releases. Gaumont has not identified any significant deterioration in its customer risk as a result of the health crisis.

With regard to sales of licenses and broadcasting rights, customers are traditionally institutional customers presenting a low credit risk. Contracts have also traditionally included payment terms that limit the risk of default.

Current tax assets correspond to tax credits for 2020 which are due to be reimbursed, and tax credits calculated for production expenses in the first half of 2021.

5.3. Other payables

	06.30.21	12.31.20
Payables on acquisitions	-	-
Other payables	-	-
Total other non-current liabilities	-	-
Trade payables	6,408	6,239
Liabilities on films and audiovisual rights	4,247	5,002
Advances and deposits received	404	139
Payroll liabilities	9,506	7,058
Tax liabilities	3,102	3,662
Current income tax liabilities	-	-
Dividends payable	-	-
Current accounts	-	-
Payables on acquisitions	-	-
Liabilities on other property, plant and equipment and intangible assets	1,881	3,622
Payables on distribution of works	46,454	50,674
Other payables	21,734	19,270
Derivatives	273	98
Contract liabilities	50,006	33,864
Tax credit to be amortized	8,806	6,793
Deferred public grants	531	350
Deferred income	4,633	5,165
Total other current liabilities	157,985	141,936
TOTAL	157,985	141,936
Maturities:		
- less than 1 year	157,763	141,710
- 1 to 5 years	14	15
- more than 5 years	208	211



Production payables are closely linked to the production and delivery schedules of the works. The low amount of trade and production payables is due to the shutdown of distribution campaigns for feature films and series due to the health crisis.

Contract liabilities represent the consideration received by Gaumont in respect of contracts with customers for which performance obligations had not been satisfied at the end of the period. This is particularly the case where rights are sold with future distribution windows.

5.4. Changes in net operating working capital requirement

	06.30.21	06.30.20
Changes in operating assets	19,288	24,485
Changes in operating liabilities	16,106	-11,606
Premiums paid on financial instruments	-	-
Current income tax expense	-36	-34
Tax paid	-6,453	190
Pension and similar benefits allowance	235	228
TOTAL	29,140	13,263

5.5. Core business commitments

	06.30.21	12.31.20
Commitments given	113,433	154,164
Development and production of films and series	54,455	76,816
Fulfilment of order contract	56,278	76,448
Other commitments given	2,700	900
Commitments received	234,558	246,172
Purchases of rights and financing of projects and productions	172,339	155,954
Fulfilment of order contract	62,219	90,219

6. Non-core business assets and liabilities

6.1. Change in real estate assets

	06.30.21	Movements of the period			12.31.20
		+	-	Other ⁽¹⁾	
Investment properties	53,892	3,431	-	-	50,461
Right-of-use assets classified as investment properties	3,304	-	-	104	3200
Right-of-use assets arising from leased properties	15,988	-	-	-3,035	19,023
Other property, plant and equipment	45,795	246	-1,387	68	46,868
Gross value	118,979	3,677	-1,387	-2,863	119,552
Investment properties	-8,920	-184	-	-149	-8,587
Right-of-use assets classified as investment properties	-2,446	-204	-	76	-2,318
Right-of-use assets arising from leased properties	-5,751	-1,373	-	3,283	-7,661
Other property, plant and equipment	-25,804	-786	1,105	-26	-26,097
Amortization and impairment losses	-42,921	-2,547	1,105	3,184	-44,663
NET VALUE	76,058	1,130	-282	321	74,889

(1) Changes in scope, transfers between items, foreign currency translation adjustments and changes in accounting policy.

The completion and acceptance of the redevelopment works on the Ambassade site, initially scheduled for November 2020, took place in June 2021. This delay, which is a consequence of the health crisis, has not generated significant additional costs. The fair value of investment properties is equivalent to that of December 31, 2020.

Operating expenses incurred during the period for leased properties are not material. Rental income during the period amounted to k€517.

Other changes in right-of-use assets for leased properties include the withdrawal of right-of-use assets that have expired.



6.2. Real estate and other commitments

	06.30.21	12.31.20
Commitments given	1,610	5,123
Guarantees	-	-
Real estate investments	1,610	5,123
Commitments received	64,649	67,714
Guarantees received	1,902	5,088
Real estate rental contracts	62,747	62,626

As of June 30, 2021, Gaumont benefited from lease commitments under leases agreed totaling k€62,747.

Gaumont still has commitments in the context of the Ambassade development project totaling k€1,610 and has a guarantee of k€1,867 from the tenant.

7. Geographic breakdown of non-current assets

Non-current assets other than financial instruments, deferred tax assets and assets relating to post-employment benefits, broken down depending on where the consolidated companies are located, are as follows:

	06.30.21				12.31.20			
	France	Europe	Americas	Total	France	Europe	Americas	Total
Goodwill	12,035	-	-	12,035	12,035	-	-	12,035
Films and audiovisual rights	104,765	3,909	95,054	203,728	92,974	672	64,698	158,344
Other intangible assets	139	4	-	143	160	6	-	166
Property, plant and equipment	66,983	1,091	7,984	76,058	65,152	1,256	8,481	74,889
Other financial assets	2,167	-	-	2,167	167	-	-	167
TOTAL NON-CURRENT ASSETS	186,089	5,004	103,038	294,131	170,488	1,934	73,179	245,601

(10 Excluding right-of-use assets classified as investment properties.

The Group does not own any assets outside of these territories.

8. Investments for the period

8.1. Acquisition of fixed assets, excluding shares in consolidated companies

	06.30.21	06.30.20
Acquisition of intangible assets	65,351	41,816
Acquisition of property, plant and equipment	3,677	2,818
Acquisition of non-controlling financial assets	2,000	-
TOTAL	71,028	44,634

Rights of use assets are not comprised in these acquisitions because they do not lead to cash output when they are booked in assets of the financial position.

8.2. Acquisition of shares in consolidated companies

	06.30.21	06.30.20
Price paid	-	2,266
Treasury bought	-	-
TOTAL	-	2,266

No acquisition of consolidated shares took place during the period.



8.3. Change in liabilities and receivables on investments

	06.30.21	Change	Other variations ⁽¹⁾	12.31.20
Fixed assets liabilities	6,128	-2,533	37	8,624
Liabilities on acquisition of shares	-	-	-	-
Receivables on acquisition and disposal of equity investments	-	-	-	-
TOTAL	6,128	-2,533	37	8,624

(1) Changes in consolidation scope, exchange rate fluctuations.

9. Financing of operations

9.1. Change in equity

Share capital of the parent company

	06.30.21	Movements of the period		12.31.20
		+	-	
Number of shares	3,119,923	-	-	3,119,923
Par value	€8			€8
CAPITAL (in euros)	24,959,384	-	-	24,959,384

Earnings per share

	06.30.21	06.30.20
Number of shares at January 1 st	3,119,923	3,119,923
Capital increases (<i>prorata temporis</i>)	-	-
Average number of ordinary shares	3,119,923	3,119,923
Dilutive effect of stock options	12,388	11,909
Average potential number of ordinary shares	3,132,311	3,131,832

Stock options with an exercise price higher than the average share price over the year are accretive. They are therefore not included in the calculation of diluted earnings per share.

Treasury shares

As of June 30, 2021, Gaumont SA held 4,649 of its own shares, purchased under its liquidity contract, and 200 registered shares. Treasury shares, including acquisition costs, are recognized as a reduction to equity.

Dividends

No dividends were paid for 2020.

Stock options

No new stock option plans were decided on during the first half of 2021. The outstanding exercisable options remained unchanged from December 31, 2020.

Equity attributable to non-controlling interests

The group no longer has any non-controlling interests.

9.2. Net borrowings and lease liabilities

Cash and cash equivalents

	06.30.21	12.31.20
Cash equivalents	34,018	34,016
Bank accounts and petty cash	106,870	80,385
TOTAL	140,888	114,401

Cash and cash equivalents include liquidity held in bank current accounts and investments in money market instruments that may be liquidated or sold in the very short term and do not entail a significant risk of loss in value in the event of interest rate changes.



Cash equivalents includes a term deposit of k€20,000 maturing in 2023 half year which can be partially or totally withdrawn earlier and without penalty. They also includes a term deposit renewable every month for an amount k€10,000 which can be repaid at any time.

Cash management is centralized for French entities and is managed manually in accordance with cash management agreements.

Borrowings and lease liabilities

Change in debt

	06.30.21	Movements of the period with an impact on the cash position			Movements of the period without an impact on the cash position			12.31.20
		+	-	Other ⁽¹⁾	Currency translation adjustments	Change in IFRS 16 assumptions	Other ⁽²⁾	
Revolving credit facility	-	-	-	-	-	-	-	-
Bonds	14,965	-	-	-	-	-	5	14,960
Production loans	73,791	16,384	-	-49	1,993	-	3,544	51,919
Assignments of receivables	-321	2,844	-4,091	-	9	-	69	848
Financial contribution from the Caisse des dépôts	4,012	-	-	-	-	-	-253	4,265
Other loans and borrowings	304	-	-	-	4	-	-	300
Non-current debt	92,751	19,228	-4,091	-49	2,006	-	3,365	72,292
Revolving credit facility	-	-	-	-	-	-	-	-
Bonds ⁽³⁾	44,960	-	-	-	-	-	28	44,932
Production loans ⁽³⁾	5,432	8,321	-3,653	-	-	-	-3,544	4,308
Assignment of receivables ⁽³⁾	-126	-	-	-	-	-	-6	-120
State-guaranteed loan ⁽³⁾	24,805	25,000	-	-213	-	-	18	-
Financial contribution from the Caisse des dépôts	251	-	-384	-	-	-	253	382
Other loans and borrowings	2,854	1,278	-	-	7	-	-	1,569
Bank overdraft	23	-	-5	-	1	-	-	27
Accrued interest	1,896	-	-	-	2	-	1,351	543
Current debt	80,095	34,599	-4,042	-213	10	-	-1,900	51,641
Lease liabilities - non-current	8,753	4	-	-	242	-	-1,626	10,133
Lease liabilities - current	3,197	6	-1,585	-	60	-	1,626	3,090
Lease liabilities	11,950	10	-1,585	-	302	-	-	13,223
FINANCIAL LIABILITIES AND LEASE LIABILITIES	184,796	53,837	-9,718	-262	2,318	-	1,465	137,156

(1) Loan fees paid.

(2) Amortization of loan fees, new leases, reclassifications and changes in accrued interest.

(3) Of which current portion of loan fees amortized over the entire term of the loan.

Loan agreement

On May 31, 2021, Gaumont entered into a 5-year loan with a banking pool consisting of BNP Paribas, Banque Palatine, Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Ile de France, and Banque Neuflyze OBC, including a revolving credit facility and a refinancing loan.

The revolving credit facility, intended to finance general needs, has the following characteristics:

- the maximum amount of the loan drawdown is k€62,500;
- the interest rate is variable and Euribor-based.

The refinancing loan, intended to refinance the first tranche of the EURO PP maturing at the end of 2021, has the following characteristics:

- the loan amount is k€37,500;
- the interest rate is variable and Euribor-based.

They are accompanied by covenants that must be complied with half-yearly, presented in Note 9.6.

The pledge of several titles in the catalog for the benefit of the banking pool is a condition for the drawdown of these loans.

No drawdowns had been made on the revolving credit facility and the refinancing loan as of June 30, 2021. As a result, loan fees were recognized in other current assets. As soon as the first drawdowns will be made, the loan fees will be included in the cost of debt according to the effective interest rate method and will be amortized over the life of the revolving credit facility and the refinancing loan.



State-guaranteed loan

On May 31, 2021, Gaumont also signed a State-guaranteed loan for k€25,000 for a term of one year with the possibility of extension of up to five years. The loan remuneration is equal to 0% the first year and is based on the Euribor in the event of extension. Loan fees have been included in the cost of debt using the effective interest rate method and will be amortized over the expected life of the loan.

Repayment schedule

	06.30.21	Maturity date		
		< 1 year	1 to 5 years	> 5 years
Revolving credit facility	-	-	-	-
Bonds	59,925	44,960	14,965	-
Production loans	79,223	5,295	73,928	-
Assignments of receivables	-447	-127	-320	-
State-guaranteed loan	24,805	24,805	-	-
Financial contribution from the Caisse des dépôts	4,263	251	2,656	1,356
Other loans and borrowings	3,158	2,854	51	253
Lease and finance lease liabilities	11,950	3,197	6,929	1,824
TOTAL⁽¹⁾	182,877	81,235	98,209	3,433

(1) Excluding accrued interest and bank overdraft.

Production loans are reported according to their contractual maturity. However, since they are repaid via pre-financing contracts and proceeds from the series, part of the loans will be repaid early from this consolidated maturity.

Breakdown of liabilities by geographic area

	06.30.20	Geographic area		
		France	Europe	Americas
Revolving credit facility	-	-	-	-
Bonds	59,925	59,925	-	-
Production loans	79,223	-	5,582	73,641
Assignments of receivables	-447	-	-	-447
State-guaranteed loan	24,805	24,805	-	-
Financial contribution from the Caisse des dépôts	4,263	4,263	-	-
Other loans and borrowings	3,158	1,760	689	709
Lease and finance lease liabilities	11,950	3,206	807	7,937
TOTAL⁽¹⁾	182,877	93,959	7,078	81,840

(1) Excluding accrued interest and bank overdraft.

9.3. Financing commitments

	06.30.21	12.31.20
Commitments given	90,663	67,427
Assignment of receivables as loan security	197	759
Pledging of assets	90,466	66,668
Commitments received	138,235	55,474
Unused credit facility	138,235	55,474

Unused credit facilities consist of:

- k€33,511 in respect of production loans arranged for US activities;
- k\$7,865 in respect of the receivables assignment agreement entered into by Gaumont in the United States;
- k€3,418 in respect of production loans arranged for German activities;
- k€100,000 under the loan agreement comprising a revolving credit facility and a refinancing loan.

Pledges relating to Gaumont's assets have the same characteristics as those existing as of December 31, 2020. They cover works restored under the restoration program co-financed by the Caisse des Dépôts et Consignations and the production of American series financed by special-purpose loans. These pledges expire at the same date as the associated loans.



9.4. Financial instruments

Derivatives

The Group uses derivatives to manage and reduce its exposure to the risk of changes in interest rates and foreign exchange rates. Derivatives included in the statement of financial position at their fair value at the reporting date are reported below.

	Currency	Counterparty	Notional (in thousands of currency)	Fair value (in thousands of euros)
Forward currency sales	USD	EUR	47,345	-208
Forward currency sales	GBP	EUR	4,773	-42
TOTAL				-250

Changes in the fair value of derivatives were recorded in financial income or other comprehensive income, in accordance with the provisions of IFRS 9.

	06.30.21	Other comprehensive income	Net income	Currency translation adjustments	12.31.20
Derivative instruments – assets	23	376	-620	5	262
Derivative instruments – liabilities	-273	75	-249	-1	-98
TOTAL	-250	451	-869	4	164

No ineffectiveness was recognized over the period.

Financial instruments by category and fair value hierarchy

The table below compares, by category, the carrying amount and the fair value of all of the Group's financial instruments.

Financial assets and liabilities are measured at their fair value in the financial statements.

	06.30.21		Breakdown by category of instruments					Derivatives	Hierarchical level
	Net carrying value	Fair value	Fair value through profit and loss	Available for-sale assets	Loans and receivables at amortized cost	Liabilities at amortized cost			
Investments in non-consolidated entities	3	3	-	3	-	-	-	na	
Other non-current financial assets	2,164	2,164	-	-	2,164	-	-	na	
Other current financial assets	120,037	120,037	-	-	120,037	-	-	na	
Derivative instruments – assets	23	23	-	-	-	-	23	2	
Cash and cash equivalents	140,888	140,888	140,888	-	-	-	-	1	
Financial assets	263,115	263,115	140,888	3	122,201	-	23		
Non-current borrowings	92,751	92,751	-	-	-	92,751	-	na	
Lease liabilities - non-current	8,753	8,753	-	-	-	8,753	-	na	
Other non-current financial liabilities	-	-	-	-	-	-	-	na	
Current borrowings	80,095	80,095	-	-	-	80,095	-	na	
Lease liabilities - current	3,197	3,197	-	-	-	3,197	-	na	
Other current financial liabilities	93,736	93,736	13,625	-	-	80,111	-	3 / na	
Derivative instruments – liabilities	273	273	-	-	-	-	273	2	
Financial liabilities	278,805	278,805	13,625	-	-	264,907	273		

As of June 30, 2021, other current financial liabilities included a liability of k€13,625 measured at fair value through profit and loss. This liability represents Gaumont's commitment to repurchase the rights to a share of proceeds held by the investors in the French-language movies produced and distributed by Gaumont, as well as the residual assets and liabilities of the investment structure as of the settlement date. The fair value of this commitment was measured by applying the discounted cash flow method to the films released in movie theaters and to the asset and liability components identified as of the reporting date. As of June 30, 2021, the impact on net income of the discounted fair value of this commitment was -k€247.

No transfers in fair value hierarchy took place during the period.



9.5. Other financial income and expenses

	06.30.21	06.30.20
Income from investment	-	-
Interest expense capitalized	2,015	-151
Interest from assets and liabilities excluding cash equivalents	632	1,639
Discounting effect of liabilities and receivables	32	63
Proceeds from disposals of non-controlling financial assets	-	-
Impairment losses and net financial provisions	-	17
Foreign exchange gains and losses	243	-983
Changes in fair value	-869	1,738
Other financial income and expenses	50	-
NET OTHER FINANCIAL INCOME/EXPENSES	2,103	2,323

The foreign exchange gains and losses are essentially linked to Gaumont's exposure to changes in the American dollar related to the financing of the American activities.

9.6. Management of financial risks

Credit and counterparty risk

The main credit risk to which Gaumont is exposed is the risk of non-payment by its customers or financial partners involved in the production of works. Gaumont operates in France and internationally with the main market players and considers that its credit risk is very limited.

As of June 30, 2021, 82% of trade receivables and operating receivables for films were not yet due, and 13% were due for less than 90 days.

Liquidity risk

Bonds

The k€60,000 bond, whose key features are described in note 9.2, comes with three covenant ratios that must be met half-yearly.

The R1 ratio requires the value of the Group's main assets to be at least equal to 2.75 times its net borrowings, plus outstanding financial advances granted by Gaumont SA to Gaumont USA Inc and its subsidiaries. The Group's main assets comprise the film catalog, the interest in Gaumont Animation and Gaumont's real estate assets.

The R2 ratio requires the Group to keep net borrowings below equity.

The R3 ratio requires the Group to maintain net average revenue from its catalog at a minimum of 15% of its net borrowings at the calculation date.

For the R1, R2 and R3 ratios, borrowings are defined excluding Caisse des dépôts et consignations' financial investment and excluding American production loans, as long as they are without recourse against the Group but includes operating lease commitments.

As of June 30, 2021, given the absence of borrowings from the French entities, the R3 ratio was not applicable. The R1 and R2 ratios were respected and were respectively at 6.81 and 0.52.

Credit agreement

The credit agreement, comprising a revolving credit facility and a refinancing loan for a total amount of k€100,000 and whose characteristics are described in note 9.2, is accompanied by three financial ratios to be complied with every six months.

The R1 ratio requires the value of the Group's main assets to be at least equal to three times its net borrowings, less production loans subscribed by Gaumont USA Inc and its subsidiaries. The Group's main assets comprise the film catalog, the interest in Gaumont Animation and Gaumont's real estate assets. Net borrowings do not include lease liabilities under the scope of IFRS 16.

The R2 ratio requires the Group to keep net borrowings below 1.2 times equity.

The R3 ratio requires the Group to maintain the average net revenue of its catalog plus the amount of rents related to the operation of the Embassy building at a level at least equal to 15% of net borrowings less the amount of US production loans at the calculation date.

As of June 30, 2021, given a negative net borrowing excluding US production loans and lease liabilities under the scope of IFRS 16, the R1 and R3 ratios were not applicable. The R2 ratio was respected and was at 0.13.



Market risks

Interest rate risk

In France as in the United States, Gaumont finances its productions and general needs through fixed and variable rate loans and manages its exposure to interest rate risk using interest rate swaps and caps, if the situation warrants it.

As of June 30, 2021, the Group's interest rate exposure was as follows:

	Total	Fixed rate	Variable rate	Not exposed
Financial assets ⁽¹⁾	140,888	-	140,888	-
Financial liabilities ⁽²⁾	-170,950	-64,188	-78,799	-27,963
Net position before hedging	-30,062	-64,188	62,089	-27,963
Hedging	-	-	-	-
Net position after hedging	-30,062	-64,188	62,089	-27,963
Sensitivity ⁽³⁾	621	-	621	-

(1) Cash and cash equivalents.

(2) Borrowings.

(3) Full-year impact at this level of net borrowings.

As Gaumont's exposure to interest rate risk is reversed due to the cash surplus over variable rate debt, sensitivity to this risk represents a gain or opportunity cost.

As of June 30, 2021, Gaumont no longer used interest rate instruments, given the Group's borrowing situation.

Foreign exchange risk

Operating foreign exchange risks

Gaumont is exposed to operating foreign exchange risks on commercial transactions posted on the balance sheet and on likely future transactions. When the Group produces films or television series outside the home country of the producer company, it is also exposed to foreign exchange risks on its production expenses.

As of June 30, 2021, revenue invoiced in a currency other than that of the company behind the transaction accounted for 7.1% of total consolidated revenue.

The main invoicing currencies of European entities (excluding euros) were the US dollar, the Swiss franc and the pound sterling. The main transaction currencies for American entities (excluding the US dollar) were Canadian dollars and the euro.

Gaumont examines on a case-by-case basis the feasibility of using foreign exchange hedges to reduce its exposure to currency movements.

As of June 30, 2021, the Group's exposure to operating foreign exchange risk was as follows:

	Total (in thousands of euros)	Risk related to a change in the euro value						
		USD/EUR	CAD/EUR	ILS/EUR	PLN/EUR	GBP/EUR	AUD/EUR	OTHER/EUR
Assets	827	726	46	37	13	-	-	5
Liabilities	-8	-6	-	-	-	-1	-1	-
Off-balance sheet	161	161	-	-	-	-	-	-
Net position before hedging	980	881	46	37	13	-1	-1	5
Hedging	-	-	-	-	-	-	-	-
Net position after hedging	980	881	46	37	13	-1	-1	5
Sensitivity	-99	-88	-5	-4	-1	-	-	-1



An across-the-board 10% depreciation of each of the currencies against the euro would have a negative impact of k€99 on consolidated net income.

Risk related to a change in the dollar value				
	Total (in thousands of US dollars)	CAD/USD	JPY/USD	MXN/USD
Assets	12	12	-	-
Liabilities	-	-	-	-
Off-balance sheet	-	-	-	-
Net position before hedging	12	12	-	-
Hedging	-9,148	1,356	-89	-7,703
Net position after hedging	-9,136	1,344	-89	-7,703
Sensitivity	913	134	9	770

An across-the-board 10% depreciation of each of the currencies against the US dollar would have a positive impact of k\$913 on consolidated net income.

Financial foreign exchange risk

Gaumont is exposed to financial foreign exchange risk via its bank accounts and advances denominated in currencies other than the functional currency of the company concerned. The Group seeks to minimize its exposure by limiting foreign currency account balances and using hedging instruments when the situation warrants it.

At June 30, 2021, the Group's exposure to financial foreign exchange risk was as follows:

Risk related to a change in the euro value			
	Total (in thousands of euros)	USD/EUR	GBP/EUR
Assets	51,456	45,789	5,667
Liabilities	-	-	-
Off-balance sheet	-	-	-
Net position before hedging	51,456	45,789	5,667
Hedging	-45,502	-39,839	-5,663
Net position after hedging	5,954	5,950	4
Sensitivity	-595	-595	-

An across-the-board 10% depreciation of each of the currencies against the euro would have a negative impact of k€595 on consolidated financial income.

Foreign exchange risk on foreign direct investment

As a result of its investments in subsidiaries based in the United States and in Great Britain, the Group is also exposed to foreign exchange risk when it translates its subsidiaries accounts into the reporting currency of its consolidated financial statements. The impacts of this risk are recognized in equity.

At June 30, 2021, the exchange rate exposure from foreign investments was as follows:

(in thousands of euros)	USD/EUR	GBP/EUR
Assets	223,729	1,554
Liabilities	-370,535	-6,723
Off-balance sheet	124,827	-265
Net position before hedging	-21,979	-5,434
Hedging	24,312	-
Net position after hedging	2,333	-5,434
Sensitivity	-233	543

A 10% depreciation of the dollar against the euro would have a positive impact of k€309 on the Group's equity.

At December 31, 2020, the current account contributed by Gaumont SA to its American subsidiary Gaumont TV USA was classified as a hedge on net foreign investments. In 2020, the future repayment of this current account can no longer be scheduled and is unlikely in the foreseeable future. The nominal amount of this current account was k\$28,891 as of June 30, 2021.

Equity risk

Gaumont and its subsidiaries are not engaged in speculative stock market operations. The risk of impairment of treasury shares remains marginal in view of the amounts invested.



10. Provisions and contingent liabilities

10.1. Change in current and non-current provisions

	06.30.21	Movements of the period				12.31.20
		Increases	Uses	Reversals ⁽¹⁾	Other ⁽²⁾	
Provisions for pension and similar benefits	5,266	235	-	-	-	5,031
Provisions for legal proceedings with personnel	4,355	-	-	-	137	4,218
Non-current provisions	9,621	235	-	-	137	9,249
Provisions for legal proceedings relating to intellectual property rights over works	450	-	-	-	-	450
Provisions for legal proceedings with personnel	250	-	-	-	-	250
Provisions for property-related expenses	-	-	-	-	-	-
Provisions for other costs	3	-	-5	-	-	8
Current provisions	703	-	-5	-	-	708
TOTAL	10,324	235	-5	-	137	9,957
Impact on current operating income		235	-5	-	-	
Impact on non-current operating income		-	-	-	-	
Impact on share of net income of associates		-	-	-	-	
Impact on other comprehensive income		-	-	-	-	

(1) Unused amount of provisions.

(2) Changes in scope, transfers between items and foreign currency translation adjustments.

In accordance with IAS 37, a provision is accounted for where an obligation exists at the reporting date towards a third party as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, without the Group receiving at least equivalent consideration, and a reliable estimate can be made of the amount of the obligation.

Provisions are recognized and adjusted according to changes in risk, estimated using the information available at the reporting date. Provisions recognized for contingent liabilities were measured on the basis of the amounts for which the group is being sued, where it is considered probable that it will have to pay.

10.2. Contingent liabilities

In 2020, Gaumont was subject to four legal proceedings in France behind the French Commercial Court, including one urgent proceeding, for cases relating mainly to transfer of rights transactions between 2015 and 2019. These proceedings are now under way behind the Judicial Court since the Commercial Court's discontinuance or declaration of incompetence.

A fifth action also opened in 2020, aimed at bringing Gaumont's responsibility in a class action, was deemed inadmissible.

The Group also believes that it has solid arguments in order to characterize the risk associated with these actions as low.

11. Taxes

Gaumont and the French subsidiaries of which it owns 95% or more have elected for the tax consolidation scheme.

11.1. Breakdown of the tax expense or benefit

	06.30.21	06.30.20
Current income tax	-36	-34
Deferred tax	510	-569
TOTAL TAXES	474	-603

The tax losses of Gaumont in France and in the United States are recognized in the financial statements in such a way that the deferred tax assets do not exceed their net deferred tax liabilities.



11.2. Reconciliation of recorded tax and theoretical tax

	06.30.21	06.30.20
Net income of companies before tax	-6,720	-5,308
Current tax rate applicable to the parent company	26.50%	28.00%
Theoretical tax	1,781	1,486
Impact of tax rate differentials on temporary differences	-7	14
Tax rate differentials between France and abroad	-21	-214
Permanent differences	-33	30
Impact of capping deferred tax assets at the amount of deferred tax liabilities	-606	-1,583
Long-term gains on disposals of consolidated shares	-	-
Change in unrecognized tax loss carryforwards	-1,768	-931
Tax consolidation	367	165
Tax credits in operating income ⁽¹⁾	810	464
Income tax without base and tax credits	-49	-34
Effective tax benefit (expense)	474	-603
Effective tax rate	7.05%	-11.36%

(1) In the consolidated financial statements, the cinema and audiovisual tax credit and the employment competitiveness tax credit are presented in current operating income (loss).

12. Average workforce

The table below gives the workforce of the companies consolidated using the full consolidation method:

	06.30.21	06.30.20
Managers	125	132
Supervisors	43	47
Employees	59	69
AVERAGE WORKFORCE	227	248

13. Subsequent events

No event likely to have a material impact on the consolidated financial statements set out above has occurred since June 30, 2021.



Statutory auditors' report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting of Shareholders and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we performed:

- the review of the accompanying condensed half-yearly consolidated financial statements of Gaumont, for the period from 1 January to 30 June 2021;
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of our procedures.

These condensed half-yearly consolidated financial statements were drawn up under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with the professional standards applicable in France. A review of interim financial information primarily consists of making inquiries of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with standard IAS 34 of the IFRS as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris and Paris-La Défense, September 16, 2021

The statutory auditors

ADVOLIS
Hugues de Noray

ERNST & YOUNG et Autres
Béatrice Belle



Declaration of the person responsible for the half-year report

I hereby certify that, to my knowledge, the condensed financial statements for the period ended were prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of Gaumont and of all the consolidated entities. Furthermore, the accompanying half-year management report provides a true and fair view of the significant events during the first six months of the financial year, their impact on the financial statements, and the main related-party transactions, and describes the principal risks and uncertainties for the remaining six months of the financial year.

Neuilly-sur-Seine, September 16, 2021

Sidonie Dumas

Chief Executive Officer

