



2020

Half-year financial report

Half-year position as of June 30, 2020

The financial statements below were approved by the Board of Directors on September 10, 2020 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 2020 saw the declaration of a health emergency in France and all other countries where Gaumont operates. This had two main impacts on operations: first, the closure of movie theaters to the public for a time that varied depending on the country; second, the temporary halt in shooting, prior to its resumption with enhanced safety measures.

This resulted in an adjustment to the movie release schedule and a postponed delivery of the group's productions. No projects under way at the start of the health crisis were permanently shelved, and operations resumed at the end of the first half-year.

Effect of this crisis on the period revenues varies depending on the media considered and is detailed in the presentation of revenue by business activity. The effects of postponed movie releases or delivery on the group's consolidated income will be more apparent in the second half of 2020.

Key figures

	06.30.20		06.30.19		Change
	in thousands of euros	as a % of revenue	in thousands of euros	as a % of revenue	
Revenue	69,900	100%	47,434	100%	47%
Income from cinema production and distribution ⁽¹⁾	15,114	22%	7,008	15%	116%
Income from television production and distribution ⁽¹⁾	3,206	5%	998	2%	221%
Consolidated income attributable to owners of the parent	-5,911	-8%	-18,064	-38%	67%
Investments in cinema production	5,529	8%	14,599	31%	-62%
Investments in television production	36,225	52%	56,494	119%	-36%

(1) Excluding overheads.

	06.30.20	12.31.19	Change
Equity attributable to owners of the parent company	219,703	230,192	-5%
Net borrowings ⁽¹⁾	-10,562	30,362	-135%

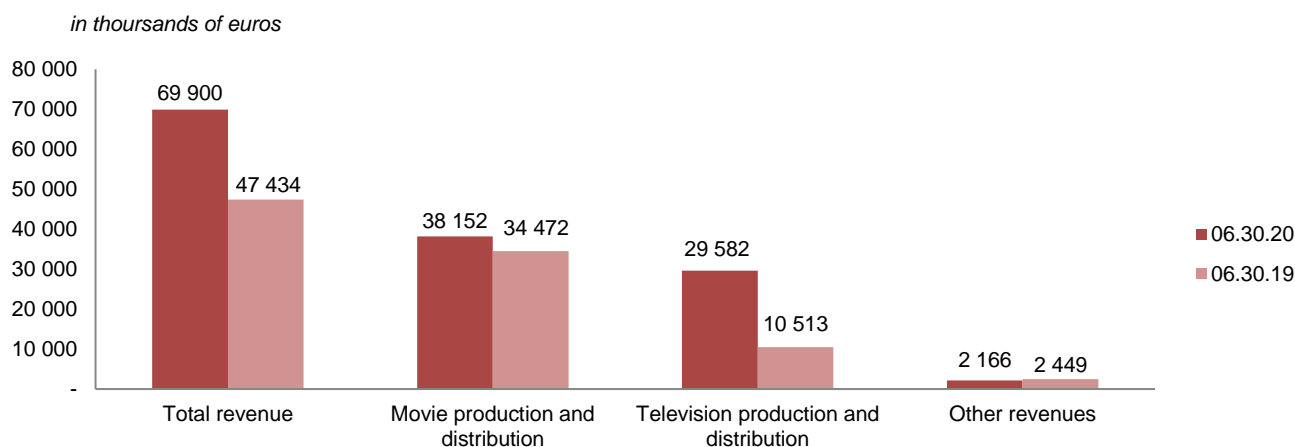
(1) Excluding IFRS 16 debt.

Consolidated results

Revenue by business activity

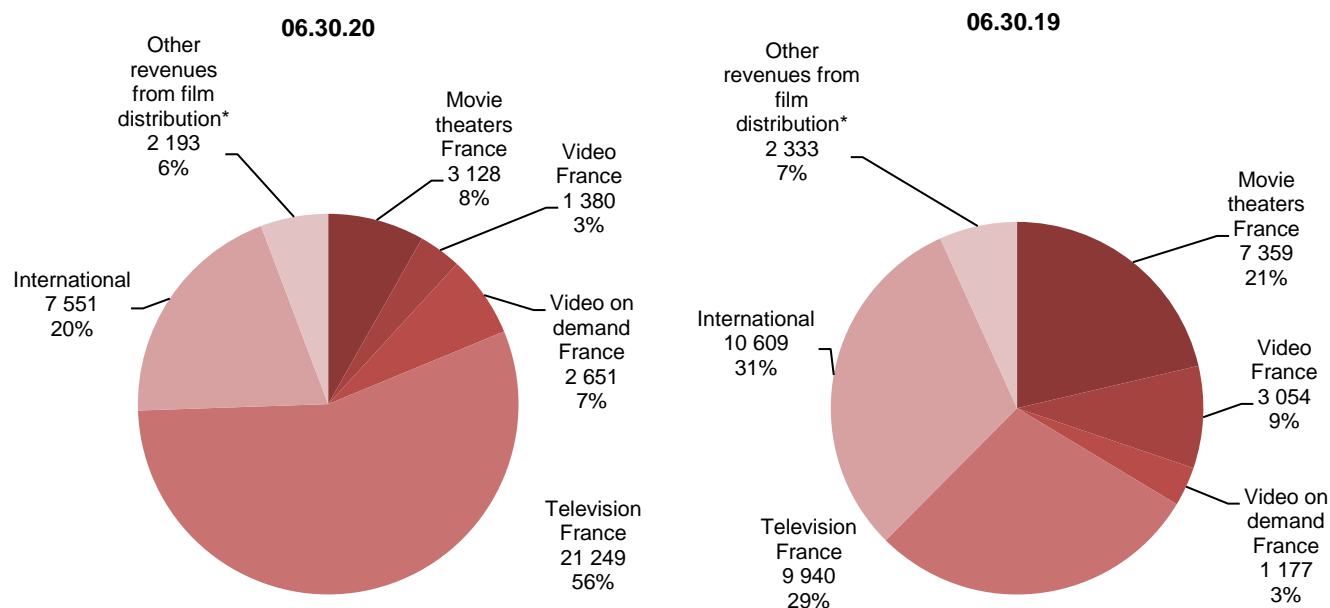
Consolidated revenue for the first half of 2020 totaled k€69,900, versus k€47,434 as of June 30, 2019.

Revenue by business activity breaks down as follows:



Movie production and distribution

Revenue from the cinema production and distribution business came to k€38,152 as of June 30, 2020, versus k€34,472 as of June 30, 2019, and breaks down 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€3,128 as of June 30, 2020, compared to k€7,359 as of June 30, 2019.

Four feature films were released during the first half of 2020:

- *Play*, directed by Anthony Marciano, starring Max Boublil and Alice Isaaz;
- *Queens of the Field*, directed by Mohamed Hamidi, starring Kad Merad, Alban Ivanov, Céline Sallette, Sabrina Ouazani and Laure Calamy;
- *#IamHere*, directed by Éric Lartigau, starring Alain Chabat, Doona Bae and Blanche Gardin;
- *Pappy Sitter*, directed by Philippe Guillard, starring Gérard Lanvin and Olivier Marchal.

These four films along with those released in 2019 and still on their run in early 2020 sold a total of 1.2 million cinema tickets, compared with 2.8 million sold by the five films released in the first half of 2019.

The distribution of *Pappy Sitter* was interrupted on March 15, 2020, ten days after its release, when movie theaters closed to the public due to the health emergency. This film was rescheduled after theaters reopened on June 22, 2020.

Simply Black, originally scheduled for release in April, was rescheduled for release in early July 2020. No other films were scheduled for release in the first half of 2020.

Video publishing and video on demand

Revenue from video and video on demand distribution in France amounted to k€4,031 as of June 30, 2020, versus k€4,231 as of June 30, 2019.

Physical video sales in France stood at k€1,380 as of June 30, 2020, against k€3,054 as of June 30, 2019. This decrease is mainly due to the closure of retail outlets during the lockdown.

Video on demand sales totaled k€2,651 as of June 30, 2020, compared with k€1,177 as of June 30, 2019.

The lockdown seemingly had a positive effect on video on demand sales. The best-selling films are among those released in theaters in 2019: *School Life*, *J'accuse* and *The Specials*. Movies released in theaters in the first quarter of 2020 qualified for an exemption from France's statutory media chronology and were able to be distributed via video on demand during the period.

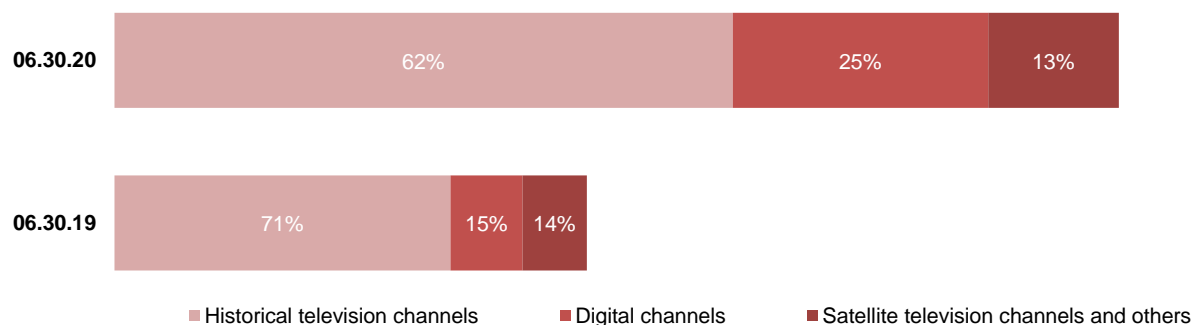


Sales of television broadcasting rights

Revenue related to sales of broadcasting rights to French television channels amounted to k€21,249 as of June 30, 2020, versus k€9,940 as of June 30, 2019. French television channels increased the number of movies broadcast during the lockdown. As a result, revenue in the first half of 2020 corresponds to the opening of release windows for 140 films, compared with 88 films in the first half of 2019.

Revenue as of June 30, 2020 also includes k€3,185 in revenue from first broadcast rights for the films *Three Days and a Life*, *Rolling to You* and *The Death of Stalin*.

Sales by type of channel break down as follows:



International sales of rights

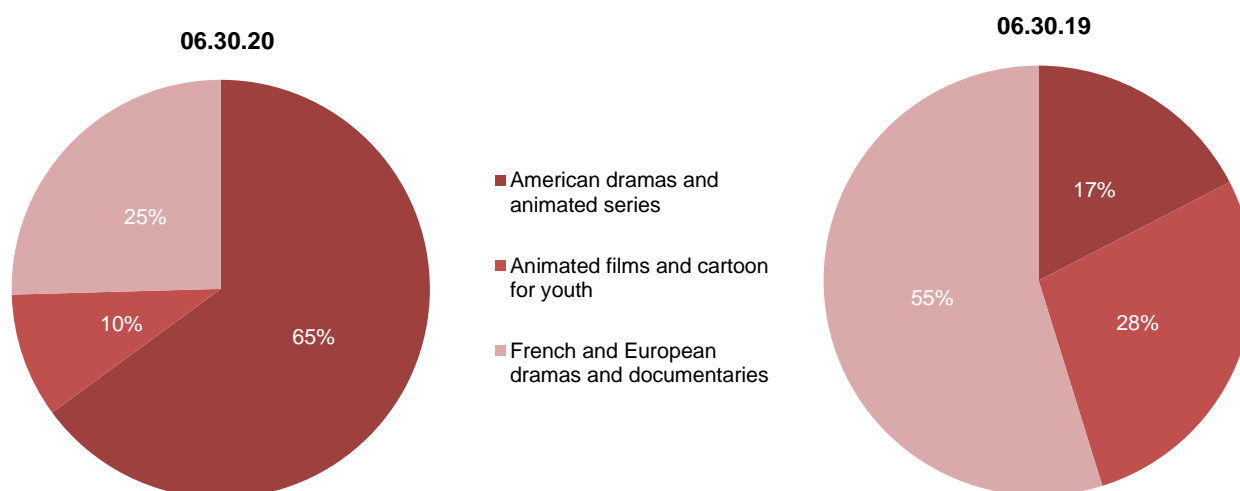
Revenue from international film sales was k€7,551 as of June 30, 2020, compared with k€10,609 as of June 30, 2019. The global lockdown resulted in the suspension of theatrical releases and the cancellation of major international conventions, which weighed on export sales of new releases. Revenue as of June 30, 2019 mainly included royalties from the successful American remake of *Untouchable*.

Other revenues from films distribution

Other revenue from movies amounted to k€2,193 as of June 30, 2020, compared with k€2,333 as of June 30, 2019. These revenues mainly correspond to the distribution of archive images by GP Archives, music publishing, and sales of spin-off products.

Production and distribution of dramas and cartoon series for television

Revenue from the television production and distribution business came to k€29,582 as of June 30, 2020, versus k€10,513 as of June 30, 2019, and breaks down as follows:



American dramas generated k€19,205 in revenue as of June 30, 2020, versus k€1,833 as of June 30, 2019. Season 4 of the series *F is for Family* was delivered in the first half of 2020, whereas there was no delivery in the first half of 2019.

Sales of animated films and series for younger audiences generated revenue of k€2,852 as of June 30, 2020, compared with k€2,919 as of June 30, 2019. There was no delivery in the first half of 2020, whereas Season 2 of the series *Noddy* was partially delivered in the first half of 2019. Revenue as of June 30, 2020 includes revenue from the production in the United States of the feature film *High in the Clouds*, currently being produced for Netflix.



French, German and British dramas and documentaries contributed k€7,525 to the 2020 first-half revenue, compared with k€5,761 in 2019. As in 2019, a one-off special was delivered in the first half: *Nine Days Awake*, delivered to Pro 7. Revenue as of June 30, 2020 includes: the production in France of the series *Arsène Lupin*, *Move* and *Lords of Scam*, for Netflix; in Germany, of the series *The Barbarians*, for Netflix; and in the United Kingdom, of the third season of *Tin Star*, for Sky Atlantic.

Other revenue

Income from trademark royalties paid by Les Cinémas Pathé Gaumont came to k€719 as of June 30, 2020, compared to k€1,287 as of June 30, 2019.

Other miscellaneous income amounted to k€1,447, versus k€1,162 as of June 30, 2019. This includes various services provided to third parties and income from the real estate business.

Breakdown by business

Consolidated income attributable to owners of the parent resulted in a loss of k€5,911 as of June 30, 2020, against a loss of k€18,064 as of June 30, 2019.

Income from production and distribution

Income from production and distribution, before overheads, including dedicated financing costs, stood at k€18,320 as of June 30, 2020, compared with k€8,006 as of June 30, 2019.

Income before overheads from feature films amounted to k€15,114 as of June 30, 2020, versus k€7,008 as of June 30, 2019. The increase between the first half of 2019 and the first half of 2020 is primarily due to distribution of the movie catalog, mainly sold to French television channels during the lockdown.

Income before overheads from the production and distribution of television dramas and documentaries amounted to k€2,031 as of June 30, 2020, versus k€226 as of June 30, 2019. The increase is mainly due to the delivery of Season 4 of *F is for Family* in the first half and the margins on titles currently in production, such as *Arsène Lupin* for Netflix, recognized using the percentage of completion method.

Income before overheads from the production and distribution of animated films and series for younger audiences amounted to k€1,175 as of June 30, 2020, versus k€772 as of June 30, 2019. The increase is mostly representative of the margin on *High in the Clouds*, currently in production for Netflix, recognized using the percentage of completion method.

Income from holding and real estate activities

Revenue before overheads from the holding and real estate businesses totaled k€762 as of June 30, 2020, versus k€701 as of June 30, 2019.

Overheads and other comprehensive income

The overheads of the various operational activities and functional and central services came to k€22,720 as of June 30, 2020, compared with k€23,684 as of June 30, 2019. This included k€1,806 in spending to support the development of European operations. In France, the United States and the United Kingdom, government support was introduced as a result of the lockdown. The impact of these subsidies on income for the period is k€373. The group also took advantage of the furlough scheme in France, which in addition to the abovementioned grants, resulted in a saving of k€417.

The costs of financing general needs came to k€1,670 as of June 30, 2020, versus k€3,173 as of June 30, 2019.

Cash and financial structure

As of June 30, 2020, Gaumont had a cash position of k€130,202, compared with k€85,624 at the beginning of the period, a positive change of k€44,578.

Cash flows from operating activities and investments

The group's business activities generated k€40,996 in net cash flows as of June 30, 2020, compared to k€33,380 as of June 30, 2019.

Net investments totaled k€-4,906 as of June 30, 2020, versus k€92,010 as of June 30, 2019. In March 2020, Pathé prepaid the final instalment of k€63,333 for the sale of the shares in Les Cinémas Gaumont Pathé, due on June 30, 2020.

Investments in cinematographic and television works

Investments in cinematographic and television works amounted to k€41,754 as of June 30, 2020, compared with k€71,093 as of June 30, 2019. Of this, films for cinema accounted for k€5,529 and television programs k€36,225. The interruption to shooting around the world due to the health crisis, particularly on Season 6 of *Narcos*, led to a decrease in investments during the period of around k€20,000. These investments will be carried forward to future periods as business returns to normal.



Investments in subsidiaries and equity interests

In March 2020, Gaumont purchased the remaining holdings of non-controlling shareholders in Gaumont Television USA for a net amount of k\$2,500.

Cash flows from financing activities and financial structure

In terms of financing activities, the first half of 2020 saw an increase in debt of k€1,804 and loan interest payments of k€1,566.

Equity

Consolidated equity (Group share) stood at k€219,703 as of June 30, 2020, versus k€230,192 as of December 31, 2019, giving a total consolidated financial position of k€498,783, versus k€532,952 at the end of the previous year.

Net borrowings

The group's net borrowings were negative k€10,562 as of June 30, 2020, versus k€30,362 as of December 31, 2019. This mainly includes positive k€130,355 in cash, the Gaumont SA bond for k€60,000 and k€51,402 of self-liquidating production loans based on proceeds from pre-financing and the sales of American series.

Net borrowings do not include lease liabilities under IFRS 16, which amounted to k€14,490 as of June 30, 2020, compared with k€17,310 as of December 31, 2019.

In France, based on its growth policy, Gaumont estimates that its available cash, operating cash flows, and the bond 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 is examining the possibility of taking out 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.

Bond

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.

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\$91,769 were granted to finance season 6 of *Narcos* and season 4 of *F is For Family*. As of June 30, 2020, there was a cumulative outstanding balance of k\$37,232 and a total available balance of k\$46,829.

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 signed a receivables assignment agreement on June 2, 2020 for a maximum authorized amount of k\$50,000. The agreement expires on June 2, 2025 and replaces the previous agreement for the same amount, which expired in June 2020. 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, 2020, the liability related to this contract amounted to k\$20,329, and the unused amount of these loans stood at k\$6,781.

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€4,855 as of June 30, 2020.

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\$900, 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 outlook for movie releases in theaters and deliveries of titles in 2020 has changed largely due to:

- the closure of movie theaters to the public in France in spring 2020;
- the temporary halt in shooting around the world;
- the time needed to arrange remote working for the production of animated works.

One film has been released in theaters since July 1, 2020:

- *Simply Black*, directed by Jean-Pascal Zadi and John Wax, starring Jean-Pascal Zadi and Fary. Released on July 8, the film has sold more than 700,000 tickets.

Three movies are scheduled for release in theaters before December 31, 2020:

- *Bye Bye Morons*, directed by Albert Dupontel, starring Virginie Efira, Albert Dupontel and Nicolas Marié;
- *Aline, the Voice of Love*, directed by Valérie Lemercier, starring Valérie Lemercier, Sylvain Marcel, Arnaud Préchac and Michel Drucker;
- *Vicky and her Mystery*, directed by Denis Imbert, starring Vincent Elbaz, Shanna Keil, Marie Gillain and Eric Elmosnino.

Four films originally slated for release in 2020 are now scheduled for 2021.

The following titles are due to be delivered in the second half of 2020:

- *Bronx*, a feature film directed by Olivier Marchal, to Netflix;
- *The Barbarians*, to Netflix;
- *The Art of Crime season 4*, to France 2;
- *Move*, to Netflix;
- *Tin Star season 3*, to Sky Atlantic;
- *Trial 4*, to Netflix.

The delivery of five drama series and one kids' animated series, originally scheduled for 2020, has been postponed until 2021.

The Art of Crime, season 4 is shooting in France at publication date whereas all other programs are in post-production or already completed. There is no particular risk of delays in the delivery schedule of the second half-year.

This lineup remains subject to the evolution of the epidemic over the upcoming months and uncertainties remain about the effects of this crisis on Gaumont annual results.

Gaumont is not aware of other risks and uncertainties than those referred above for the next six months of the fiscal year.



Half-year consolidated financial statements

Consolidated income statement

<i>(in thousands of euros)</i>	Note	06.30.20	06.30.19
Revenue	4.2	69,900	47,434
Purchases		-358	-441
Personnel costs	4.4	-19,243	-15,071
Other current operating income and expenses	4.3	-19,666	-22,701
Impairment, depreciation, amortization and provisions		-34,870	-26,593
Current operating income (loss)		-4,237	-17,372
Other non-current operating income and expenses		-1	105
Operating income (loss)		-4,238	-17,267
Share of net income of associates		-	-
Operating income after share of net income of associates		-4,238	-17,267
Gross borrowing costs		-3,393	-4,056
Income from cash and cash equivalents		-	-
Net borrowings costs		-3,393	-4,056
Other financial income and expenses	9.5	2,323	3,173
Net income (loss) before tax		-5,308	-18,150
Income tax	11	-603	57
NET INCOME		-5,911	-18,093
Share attributable to non-controlling interests		-	-29
Share attributable to the shareholders of the parent company		-5,911	-18,064
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		-1.89	-5.79
Diluted earnings per share attributable to the shareholders of the parent company			
- Average potential number of shares	9.1	3,131,832	3,132,597
- In euros per share		-1.89	-5.77



Consolidated statement of comprehensive income

<i>(in thousands of euros)</i>	06.30.20	06.30.19
Net income	-5,911	-18,093
Translation adjustments of foreign operations	176	-159
Share in currency adjustments of foreign operations of associates	-	-
Changes in fair value of available-for-sale financial assets	-	-
Changes in fair value of hedging financial instruments	-3,456	553
Share of changes in fair value of hedging financial instruments of associates	-	-
Income tax on gains and losses recognized directly in equity	968	-155
Other elements of comprehensive income that could be reclassified later in net income	-2,312	239
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	-2,312	239
COMPREHENSIVE INCOME FOR THE PERIOD	-8,223	-17,854
Share attributable to non-controlling interests	-	-29
Share attributable to the shareholders of the parent company	-8,223	-17,825



Consolidated statement of financial position

Assets (in thousands of euros)	Note	06.30.20	12.31.19
Goodwill	3.2	12,035	12,035
Films and audiovisual rights	5.1	135,526	126,401
Other intangible assets		204	182
Properties measured in accordance with IAS 40	6.1	32,286	30,119
Right-of-use assets arising from leased properties (held under operating and finance leases)	6.1	12,179	14,820
Other property, plant and equipment	6.1	26,813	27,175
Non-current financial assets		69	179
Non-current deferred tax assets		4,368	3,881
Non-current assets		223,480	214,792
Inventories		392	358
Trade receivables and contract assets	5.2	93,826	117,971
Current income tax assets		7,600	4,990
Other receivables and current financial assets	5.2	43,130	109,068
Cash and cash equivalents	9.2	130,355	85,773
Current assets		275,303	318,160
TOTAL ASSETS		498,783	532,952

Liabilities and equity (in thousands of euros)	Note	06.30.20	12.31.19
Capital		24,959	24,959
Retained earnings		194,744	205,233
Equity attributable to the shareholders of the parent company		219,703	230,192
Non-controlling interests		-	-
Equity	9.1	219,703	230,192
Non-current provisions	10	4,747	4,519
Non-current borrowings	9.2	116,259	106,325
Non-current lease liabilities	9.2	11,449	14,319
Non-current deferred tax liabilities		3,136	3,014
Other non-current liabilities	4.3	-	-
Non-current liabilities		135,591	128,177
Current provisions	10	762	615
Current borrowings	9.2	3,534	9,810
Current lease liabilities	9.2	3,041	2,991
Trade payables	5.3	10,800	21,169
Current income tax liabilities		-	143
Other payables	5.3	81,321	96,769
Deferred income and contract liabilities	5.3	44,031	43,086
Current liabilities		143,489	174,583
TOTAL LIABILITIES		498,783	532,952



Consolidated statement of changes in equity

Changes in equity (in thousands of euros)	Attributable to the shareholders of the parent company						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.

Changes in equity (in thousands of euros)	Attributable to the shareholders of the parent company						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, 2018	3,119,923	24,959	5,278	-257	223,549	18,558	272,087	2,911	274,998
Net income for the year	-	-	-	-	-18,064	-	-18,064	-29	-18,093
Other comprehensive income	-	-	-	-	-	239	239	-	239
Comprehensive income for the year	-	-	-	-	-18,064	239	-17,825	-29	-17,854
Transactions on share capital	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-3,115	-	-3,115	-159	-3,274
Elimination of treasury shares	-	-	-	-	-	-	-	-	-
Other ⁽²⁾	-	-	-	-	-188	-	-188	-2,723	-2,911
Transactions with shareholders	-	-	-	-	-3,303	-	-3,303	-2,882	-6,185
AS OF JUNE 30, 2019	3 119 923	24,959	5,278	-257	202,182	18,797	250,959	-	250,959

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

(2) Mainly the impact of transactions with non-controlling shareholders of GP Archives.



Consolidated statement of cash flows

<i>(in thousands of euros)</i>	Note	06.30.20	06.30.19
Operating activities			
Consolidated net income (including non-controlling interests)		-5,911	-18,093
Net allowances for depreciation, amortization, impairment and provisions		34,941	26,668
Unrealized gains and losses related to changes in fair value	9.5	-3,949	284
Other calculated income and expenses		156	-467
Gains and losses on disposal of assets		-1,310	-168
Share of net income of associates		-	-
Cash flow from operating activities after tax and net borrowing costs		23,927	8,224
Net borrowings costs		3,393	4,056
Tax expenses (income) - including deferred tax		603	-57
Cash flow from operating activities before tax and net borrowing costs		27,923	12,223
Tax paid		-190	-90
Change in working capital requirement related to operating activities	5.4	13,263	21,247
(A) Net cash flow from operating activities		40,996	33,380
Investment activities			
Proceeds from sales of fixed assets		1,425	694
Acquisition of fixed assets		-44,634	-72,264
Change in liabilities on investments		-6,444	-6,383
Net impact of changes in scope, net of cash acquired		-2,266	-7,525
Change in liabilities and receivables on acquisitions of consolidated securities		56,825	-6,532
(B) Net cash flow from investment activities	8	4,906	-92,010
Financing activities			
Gaumont SA capital increase		-	-
Dividends paid to Gaumont SA shareholders		-	-3,115
Repayment of capital to non-controlling shareholders of consolidated companies		-	-2,279
Dividends paid to non-controlling interests in consolidated companies		-	-159
Change in treasury shares		-	-
Change in borrowings		1,804	34,031
Interest paid on borrowings		-1,566	-2,553
Operating and finance lease payments and related interest		-1,623	-1,159
(C) Net cash flow from financing operations	9	-1,385	24,766
(D) Impact of changes in foreign exchange rates		61	83
NET CHANGE IN CASH & CASH EQUIVALENTS: (A) + (B) + (C) + (D)		44,578	-33,780
Cash and cash equivalents at beginning of period		85,773	129,831
Bank overdraft at beginning of period		-149	-72
Cash position at beginning of period		85,624	129,759
Cash and cash equivalents at end of period		130,355	96,092
Bank overdraft at end of period		-153	-113
Cash position at end of period		130,202	95,979
NET CHANGE IN CASH & CASH EQUIVALENTS		44,578	-33,780



Notes to the consolidated financial statements

1. Impact of the health crisis

The first half of 2020 saw the declaration of a health emergency in France and all other countries where the group operates. This had two main impacts on operations: first, the closure of movie theaters to the public; second, the temporary halt in shooting; which led to an adjustment to the movie release schedule and a postponed delivery of the group's productions. At this stage, the health crisis and its consequences did not result in a permanent loss of business and Gaumont considers that it has adequate means to honor its commitments and to guarantee the continuity of its business, with respect of its net available cash at the end of the period.

Effects of this crisis on the period revenues vary depending on the media considered. For better clarity, their detailed description is provided in support of the consolidated 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. Relevant items of this analysis are described in note 3.2. Concerning movies 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, 2019. As a result, no impairment has been booked as per June 30, 2020.

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. Reader should particularly refer to notes 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, 2020 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, 2019, included in the Universal Registration document filed with the AMF under number D.20-0447.

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, 2020, which are available at the website: <https://eur-lex.europa.eu>.

Gaumont's half-year consolidated financial statements as of June 30, 2020 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, 2019, 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, 2020 were approved by the Board of directors on September 10, 2020 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, 2020 have an impact on the consolidated financial statements as of June 30, 2020.



Gaumont analyzed the doctrine provided by the IFRIC in December 2019 related to IFRS 16 - contract leases. Lease terms retained for the evaluation of commercial leases of administrative premises, representing the bulk of lease liabilities, have been comforted.

3. Scope of consolidation

3.1. Purchase of minority interests in Gaumont Television USA

On February 21, 2018, Gaumont USA Inc. acquired an additional 15% share in Gaumont Television USA Llc for k\$24,000, payable in three annual installments. The final installment of this acquisition was paid in the first half of 2020. The corresponding liability had been settled as of June 30, 2020.

In addition, in early March 2020, Gaumont USA Inc acquired the remaining holdings of non-controlling shareholders in Gaumont Television USA for a net amount of k\$2,500.

These are classified as transactions between shareholders and are presented directly in equity.

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 early 2020. The business was able to continue as normal after only a few days, which was the time it took to set up remote working in the various studios.

Therefore, no indication of impairment was detected during the first half of 2020 for goodwill with positive carrying value. No changes in Goodwill measurement occurred during the period.

3.3. Seller warranties received

For the acquisition of CDG, Gaumont received a guarantee from the sellers covering disputes and contingent liabilities arising in the period prior to the sale, as well as employee risk, defined as the potential contract termination costs of the employees transferred.

The main guarantee is for a maximum period of 24 months and a maximum amount of k€1,500, except for disputes identified at the acquisition date, which are guaranteed for the total amount of any loss.



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 Distribution TV Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	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:

- movie production and distribution, Gaumont's historic activity in France also exercised in the United States;
- production and distribution of television 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 without any further grouping. The measurement methods for figures by operating segment are in line with the principles and policies used to prepare the consolidated financial statements.

06.30.20	Movie production and distribution	Television production and distribution	Real estate and holding businesses	Indirect and unallocated costs	Total
Revenue	38,152	29,582	1,223	943	69,900
Income from operations excluding overheads	15,114	3,206	762	-	19,082
Overheads	-7,229	-12,009	-	-5,152	-24,390
Income tax	-	-	-	-603	-603
NET INCOME	7,885	-8,803	762	-5,755	-5,911



	Movie production and distribution	Television production and distribution	Real estate and holding businesses	Indirect and unallocated costs	Total
06.30.19					
Revenue	34,472	10,513	1,576	873	47,434
Income from operations excluding overheads	7,008	998	701	-	8,707
Overheads	-9,186	-10,286	-	-7,385	-26,857
Income tax	-	-	-	57	57
NET INCOME	-2,178	-9,288	701	-7,328	-18,093

4.2. Revenue

As of June 30, 2020, revenue by activity is as follows:

	06.30.20			06.30.19		
	France	Abroad	Total	France	Abroad	Total
Movie production and distribution	30,167	7,985	38,152	23,708	10,764	34,472
Movie theater distribution	3,128	-	3,128	7,359	-	7,359
Video publishing and video on demand	4,031	126	4,157	4,231	241	4,472
Television broadcasting rights	21,249	45	21,294	9,940	-	9,940
International sales	-	7,380	7,380	-	11,796	11,796
Other movie distribution income	1,759	434	2,193	2,178	155	2,333
Feature film production	-	-	-	-	-1,428	-1,428
Production and distribution of television series	7,236	22,346	29,582	4,143	6,370	10,513
Distribution of American dramas	728	18,477	19,205	64	1,769	1,833
Distribution of French dramas	61	40	101	1,852	167	2,019
Distribution of European dramas	-	1,796	1,796	-	-	-
Distribution of animated films and series	532	737	1,269	2,227	692	2,919
Drama production	5,915	-287	5,628	-	3,742	3,742
Animated series production	-	1,583	1,583	-	-	-
Trademark royalties	719	-	719	1,287	-	1,287
Other miscellaneous revenue	1,193	254	1,447	873	289	1,162
TOTAL	39,315	30,585	69,900	30,011	17,423	47,434

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.

The closure of movie theaters due to the health emergency had the effect of interrupting *Pappy Sitter* ten days after its release and delaying the release of *Simply Black* in early July. Physical video sales declined due to the closure of retail outlets, whereas the lockdown had a positive impact on video on demand sales. Sales to television channels rose sharply due to the increase in the number of movies broadcast by television channels. Export sales were impacted by the suspension of theatrical releases and the cancellation of major international conventions.

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

	06.30.20	06.30.19
French companies	46,969	42,349
European companies	1,509	3,613
American companies	21,422	1,472
TOTAL	69,900	47,434



4.3. Other current operating income and expenses

	06.30.20	06.30.19
Audiovisual support fund	2,211	4,147
Other subsidies	924	84
Audiovisual and cinema tax credit	4,311	3,972
Purchases of materials and supplies	-2,896	-6,406
Inventoried products	-23	-5
Subcontracting	-1,488	-558
Rentals and rental expenses	-1,466	-784
Outside personnel, temporary personnel and fees	-3,542	-3,646
Other external expenses	-6,131	-8,240
Taxes and similar payments	-1,345	-1,682
Foreign exchange gains and losses on operating activities	-705	104
Copyrights, royalties and similar	-5,781	-1,925
Shares of co-producers and guaranteed minima	-6,167	-5,600
Income from the sale of operating assets	1,311	63
Other income and expenses	1,121	-2,225
NET OTHER CURRENT OPERATING INCOME/EXPENSES	-19,666	-22,701

As of June 30, 2020, other external expenses included k€3,243 in purchases of studies and services related to cinema and television project development, versus k€3,334 as of June 30, 2019.

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

	06.30.20	06.30.19
Gross compensation	-14,229	-10,675
Social security contributions	-4,587	-3,701
Employee profit-sharing	-199	-265
Pensions and similar benefits	-228	-430
Share based payments expense	-	-
TOTAL	-19,243	-15,071

Compensation includes k€3,006 in salaries paid to contract workers employed in the production to order of films and series as of June 30, 2020, compared with k€555 as of June 30, 2019. Related social security contributions totaled k€1,280 as of June 30, 2020, versus k€348 as of June 30, 2019.

The group also took advantage of the furlough scheme in France during the first half of 2020, which resulted in a saving of k€417.

In addition, government subsidies received in connection with the health crisis in France and the United Kingdom amounted to k€373. These are presented in "other subsidies".



5. Core business assets and liabilities

5.1. Films and audiovisual rights

	06.30.20	Movements of the period			12.31.19
		+	-	Other ⁽¹⁾	
Films and cinema rights	1,943,653	1,093	-	5,418	1,937,142
Television series, dramas and broadcasting rights	542,413	95	-2,822	3,580	541,560
Animated films and series	233,696	1,441	-	10,147	222,108
Musical productions and publishing rights	2,942	-	-	-	2,942
Video games	1,525	-	-	-	1,525
Movies in production	20,739	4,436	-	-5,418	21,721
Television series and dramas in production	33,306	24,806	-36	-2,243	10,779
Animated films and series in production	20,908	9,883	-	-10,250	21,275
Gross value	2,799,182	41,754	-2,858	1,234	2,759,052
Films and cinema rights	-1,893,798	-17,697	350	-	-1,876,451
Television series, dramas and broadcasting rights	-535,320	-7,040	2,744	-1,441	-529,583
Animated films and series	-229,974	-12,182	-	81	-217,873
Musical productions and publishing rights	-2,929	-14	-	-	-2,915
Video games	-1,525	-	-	-	-1,525
Movies in production	-	-	4,194	-	-4,194
Television series and dramas in production	-110	-	-	-	-110
Animated films and series in production	-	-	-	-	-
Accumulated amortization and impairment losses	-2,663,656	-36,933	7,288	-1,360	-2,632,651
CARRYING VALUE	135,526	4,821	4,430	-126	126,401

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

Investments for the period relate to films from the 2020 and 2021 line-up and series currently in production, which will be delivered in late 2020 and in 2021.

The decrease in drama and television rights mainly includes the transfer of the rights previously held in *High in the Clouds* under the order contract signed with the platform.

Impairment losses of k€4,194 on movies currently in production were reversed following their delivery as of June 30, 2020.

Other changes include k€1,235 in foreign exchange gains and losses on the gross values of American series and k€1,359 on the amortization of these series.

5.2. Receivables and other current assets

	06.30.20	12.31.19
Trade receivables	90,995	113,634
Contract assets	3,071	4,578
Current financial assets	581	492
Current income tax assets	7,600	4,990
Current accounts	-	-
Receivables on asset sales	-	64,076
Other receivables	42,157	44,378
Prepaid expenses	928	658
Gross value	145,332	232,806
Trade receivables	-240	-241
Current financial assets	-	-
Current accounts	-	-
Other receivables	-536	-536
Accumulated impairment losses	-776	-777
CARRYING VALUE	144,556	232,029

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 movie releases. Gaumont has not identified any significant deterioration in its customer risk as a result of the health crisis. The closure of movie theaters around the world, the financial repercussions of which on operators are still difficult to assess, has had



a limited impact since the films released in theaters in the first quarter were nearing the end of their release window. No significant receivables were therefore generated.

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.

As of December 31, 2019, receivables on asset disposals include the amount due on the sale of the securities of Les Cinémas Pathé Gaumont, including interest. This receivable was settled in the first half of the year.

Current tax assets correspond to tax credits for 2019 which are due to be reimbursed, and tax credits calculated for production expenses in the first half of 2020.

5.3. Other payables

	06.30.20	12.31.19
Payables on acquisitions	-	-
Other payables	-	-
Total other non-current liabilities	-	-
Trade payables	6,863	10,785
Liabilities on films and audiovisual rights	3,937	10,384
Advances and deposits received	105	108
Payroll liabilities	6,905	6,318
Tax liabilities	2,995	7,462
Current income tax liabilities	-	143
Payables on acquisitions	-	7,098
Liabilities on other property, plant and equipment and intangible assets	1,999	1,976
Payables on distribution of works	42,860	49,351
Other payables	23,813	24,146
Derivatives	2,644	310
Contract liabilities	32,277	29,547
Tax credit to be amortized	6,290	6,947
Deferred public grants	451	352
Deferred income	5,013	6,240
Total other current liabilities	136,152	161,167
TOTAL	136,152	161,167
Maturities:		
- less than 1 year	135,926	160,937
- 1 to 5 years	28	16
- more than 5 years	198	214

As of December 31, 2019, the amount payable on acquisitions corresponds to the balance due to non-controlling shareholders of Gaumont Television USA following the buyout in 2018. This debt was settled in the first half of 2020.

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 temporary stoppage of production and distribution campaigns for films and series on account of 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

	06.30.20	06.30.19
Changes in operating assets	24,485	22,275
Changes in operating liabilities	-11,606	-1,515
Current income tax expense	-34	-33
Tax paid	190	90
Pension and similar benefits allowance	228	430
TOTAL	13,263	21,247



5.5. Core business commitments

	06.30.20	12.31.19
Commitments given	123,347	129,724
Film and series development and production	111,530	112,519
Execution of production service agreements	11,817	17,205
Commitments received	194,038	186,979
Purchases of rights and financing of projects and productions	180,323	168,495
Execution of production service agreements	13,715	18,484

6. Non-core business assets and liabilities

6.1. Changes in real estate assets

	06.30.20	Movements of the period			12.31.19
		+	-	Other ⁽¹⁾	
Properties measured in accordance with IAS 40	41,475	2,504	-	-	38,971
Right-of-use assets classified as investment properties	3,507	-	-	11	3,496
Right-of-use assets arising from leased properties	19,247	580	-354	-1,875	20,896
Other property, plant and equipment	51,634	314	-1	-24	51,345
Gross value	115,863	3,398	-355	-1,888	114,708
Properties measured in accordance with IAS 40	-10,538	-122	-	-149	-10,267
Right-of-use assets classified as investment properties	-2,158	-222	-	145	-2,081
Right-of-use assets arising from leased properties	-7,068	-1,363	354	17	-6,076
Other property, plant and equipment	-24,821	-657	-	6	-24,170
Accumulated amortization and impairment losses	-44,585	-2,364	354	19	-42,594
CARRYING VALUE	71,278	1,034	-1	-1,869	72,114

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

The redevelopment of the Ambassade site was paused during the first half while the necessary health measures to protect workers were put in place. The costs and delays caused by this temporary stoppage are limited and the asset carrying value shows no signs of impairment. The fair value of investment properties is equivalent to that of December 31, 2019.

Operating expenses incurred during the period for leased properties are not material. Rental income during the period amounted to k€504.

Other changes in right-of-use assets arising from leased properties include the impacts of revising the expected lease term of some leases.

6.2. Real estate and other commitments

	06.30.20	12.31.19
Commitments given	8,160	9,980
Guarantees and deposits	-	-
Real estate investments	8,160	9,980
Commitments received	71,055	71,420
Guarantees and deposits received	5,088	5,088
Lease commitments	65,967	66,332

As of June 30, 2020, Gaumont benefited from lease commitments under leases agreed totaling k€65,967.

As part of the Ambassade development project, Gaumont has committed to building contracts totaling k€8,160. It has received various guarantees worth a total of k€5,088 from its service providers and from the future tenant.



7. Breakdown by region 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:

	06.30.20				12.31.19			
	France	Europe	Americas	Total	France	Europe	Americas	Total
Goodwill	12,035	-	-	12,035	12,035	-	-	12,035
Films and audiovisual rights	81,293	79	54,154	135,526	87,026	1,911	37,464	126,401
Other intangible assets	195	9	-	204	170	12	-	182
Properties measured in accordance with IAS 40	30,937	-	1,349	32,286	28,555	-	1,564	30,119
Right-of-use assets arising from leased properties (held under operating and finance leases) ⁽¹⁾	3,397	1,101	7,681	12,179	5,092	1,361	8,141	14,594
Other property, plant and equipment	25,366	367	1,080	26,813	25,851	416	1,134	27,401
Other financial assets	46	23	-	69	156	23	-	179
TOTAL NON-CURRENT ASSETS	153,269	1,579	64,264	219,112	158,885	3,723	48,303	210,911

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

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

8. Investments during the period

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

	06.30.20	06.30.19
Acquisition of intangible assets	41,816	71,117
Acquisition of tangible assets	2,818	1,087
Acquisition of financial assets	-	60
TOTAL	44,634	72,264

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

	06.30.20	06.30.19
Price paid	2,266	7,906
Treasury bought	-	-381
TOTAL	2,266	7,525

8.3. Change in liabilities and receivables on investments

	06.30.20	Change	Other changes ⁽¹⁾	12.31.19
Fixed assets liabilities	5,936	-6,444	20	12,360
Liabilities on acquisition of shares	-	-7,251	153	7,098
Receivables on acquisition and disposal of equity investments	-	64,076	-	-64,076
TOTAL	5,936	50,381	173	-44,618

(1) Changes in scope and exchange loss or gain.

The change in liabilities on acquisition of securities corresponds to the payment of the final instalment for the acquisition in 2018 of 15% of the non-controlling interests of Gaumont Television USA Llc.

The amount receivable from Pathé for the sale of Les Cinémas Pathé Gaumont has been settled following payment of the final instalment for k€63,333, plus interest, in the first half of 2020.



9. Financing activities

9.1. Change in equity

Share capital of the parent company

	06.30.20	Movements of the period		12.31.19
		+	-	
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

	06.30.20	06.30.19
Number of shares at January 1	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	11,909	12,674
Average potential number of ordinary shares	3,131,832	3,132,597

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, 2020, 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 2019.

Stock options

No new stock option plans were decided on during the first half of 2020. The outstanding exercisable options remain unchanged from December 31, 2019.

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

	06.30.20	12.31.19
Cash equivalents	34,014	34,012
Bank accounts and petty cash	96,341	51,761
TOTAL	130,355	85,773

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.



Borrowings and lease liabilities

Change in debt

	06.30.20	Movements of the period with an impact on the cash position			Movements of the period without an impact on the cash position			12.31.19
		+	-	Other ⁽¹⁾	Currency translation adjustments	Change in IFRS 16 assumptions	Other ⁽²⁾	
Revolving credit facility	-	-	-	-	-	-	-	-
Bonds	59,930	-	-	-	-	-	38	59,892
Production loans	33,052	24,621	-33,891	-	267	-	81	41,974
Assignments of receivables	17,613	40,232	-	-684	-263	-	-21,672	-
Financial contribution from the Caisse des dépôts	4,531	582	-	-	-	-	-137	4,086
Other loans and borrowings	1,133	816	-42	-	-11	-	-3	373
Non-current debt	116,259	66,251	-33,933	-684	-7	-	-21,693	106,325
Revolving credit facility	-	-	-	-	-	-	-	-
Bonds ⁽³⁾	-75	-	-	-	-	-	-	-75
Production loans ⁽³⁾	-228	-	-1,615	-	-2	-	194	1,195
Assignments of receivables ⁽³⁾	-124	-	-27,962	-	108	-	21,784	5,946
Financial contribution from the Caisse des dépôts	324	-	-223	-	-	-	137	410
Other loans and borrowings	1,574	-	-30	-	-	-	3	1,601
Bank overdraft	153	2	-	-	2	-	-	149
Accrued interest	1,910	-	-	-	2	-	1,324	584
Current debt	3,534	2	-29,830	-	110	-	23,442	9,810
Non-current lease liabilities	11,449	-	-	-	-15	-1,818	-1,037	14,319
Current lease liabilities	3,041	-	-1,545	-	-22	-	1,617	2,991
Lease liabilities	14,490	-	-1,545	-	-37	-1,818	580	17,310
FINANCIAL LIABILITIES AND LEASE LIABILITIES	134,283	66,253	-65,308	-684	66	-1,818	2,329	133,445

(1) Paid loan fees.

(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.

In the United States, Gaumont signed a receivables assignment agreement on June 2, 2020 for a maximum authorized amount of k\$50,000. The agreement expires on June 2, 2025 and replaces the previous agreement for the same amount, which expired in June 2020. This transaction was treated as a repayment of the previous loan and the arrangement of a new loan. The costs of arranging the new loan are amortized over the contractual term.

The key features of this receivables assignment agreement are identical to the previous one:

- the assigned receivables are the series' operating receivables, with the exception of receivables pledged to production loans;
- the interest rate is variable and Libor-based.

As of June 30, 2020, the outstanding receivables assigned, net of payments received, amounted to k\$54,972, of which k\$54,044 were receivables recognized as assets in the statement of the financial position and k\$928 were recognized as financing commitments given.

Repayment schedule

	06.30.20	Maturity date		
		< 1 year	1 to 5 years	> 5 years
Revolving credit facility	-	-	-	-
Bonds	59,855	-75	59,930	-
Production loans	32,824	-228	33,052	-
Assignments of receivables	17,489	-124	17,613	-
Financial contribution from the Caisse des dépôts	4,855	324	2,180	2,351
Other loans and borrowings	2,707	1,574	863	270
Lease liabilities	14,490	3,041	8,058	3,391
TOTAL⁽¹⁾	132,220	4,512	121,696	6,012

(1) Excluding accrued interest and bank overdraft.



Production loans and receivables assignment agreements are presented according to their contractual maturity. However, since they are repaid using the proceeds from the series, part of the loans will be repaid early.

Breakdown of liabilities by geographic area

	06.30.20	France	Europe	Americas
Revolving credit facility	-	-	-	-
Bonds	59,855	59,855	-	-
Production loans	32,824	-	-	32,824
Assignments of receivables	17,489	-	-	17,489
Financial contribution from the <i>Caisse des dépôts</i>	4,855	4,855	-	-
Other loans and borrowings	2,707	1,770	9	928
Lease liabilities	14,490	3,570	1,178	9,742
TOTAL⁽¹⁾	132,220	70,050	1,187	60,983

(1) Excluding accrued interest and bank overdraft.

9.3. Financing commitments

	06.30.20	12.31.19
Commitments given	44,730	70,560
Assignment of receivables as loan security	815	9,396
Pledging of assets	43,915	61,164
Commitments received	47,109	71,428
Unused credit facility	47,109	71,428

Unused credit facilities consist of:

- k\$46,829 in respect of production loans arranged for US activities;
- k\$6,781 for the receivables assignment agreement entered into by Gaumont in the United States.

Pledges relating to Gaumont's assets have the same characteristics as those existing as of December 31, 2019. 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 amount (in thousands of currency)	Fair value (in thousands of US dollars)	Fair value (in thousands of euros)
Forward currency purchases	EUR	USD	1,984	3	-
Forward currency purchases	JPY	USD	384,084	-43	-
Forward currency purchases	MXN	USD	365,000	-2,813	-
Forward currency sales	USD	EUR	-37,470	-	677
Forward currency sales	GBP	EUR	-2,773	-	65
TOTAL				-2,853	742

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

	06.30.20	Other comprehensive income	Net income	Currency translation adjustments	12.31.19
Derivative instruments – assets	838	-943	1,594	-1	188
Derivative instruments – liabilities	-2,644	-2,513	144	35	-310
TOTAL	-1,806	-3,456	1,738	34	-122

The ineffective portion of the instruments recognized is negligible for the period, amounting to k\$13 for contracts with a US dollar counterparty. No ineffective portion was recognized in income for contracts with a euro counterparty.



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.

	06.30.20		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	66	66	-	-	66	-	-	na	
Other current financial assets	142,790	142,790	-	-	142,790	-	-	na	
Derivative instruments – assets	838	838	-	-	-	-	838	2	
Cash and cash equivalents	130,355	130,355	130,355	-	-	-	-	1	
Financial assets	274,052	274,052	130,355	3	142,856	-	838		
Non-current financial liabilities	116,259	116,259	-	-	-	116,259	-	na	
Non-current lease liabilities	11,449	11,449	-	-	-	11,449	-	na	
Other non-current financial liabilities	-	-	-	-	-	-	-	na	
Current financial liabilities	3,534	3,534	-	-	-	3,534	-	na	
Current lease liabilities	3,041	3,041	-	-	-	3,041	-	na	
Other current financial liabilities	89,928	89,928	10,783	-	-	79,145	-	3/na	
Derivative instruments – liabilities	2,644	2,644	-	-	-	-	2,644	2	
Financial liabilities	226,855	226,855	10,783	-	-	213,428	2,644		

As of June 30, 2020, other current financial liabilities included a liability of k€10,783 measured at fair value through income. This liability represents Gaumont's commitment to repurchase, at the end of a five years period, the right to a share of proceeds held by the investors in the French-language feature films 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, 2020, the impact on net income of the discounted fair value of this commitment was -k€28.

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

9.5. Other financial income and expenses

	06.30.20	06.30.19
Income from investment	-	-
Interest expense capitalized	-151	992
Interest from assets and liabilities excluding cash equivalents	1,639	2,028
Discounting effect of liabilities and receivables	63	-45
Proceeds from disposals of financial assets	-	-
Accumulated impairment losses and net financial provisions	17	20
Foreign exchange gains and losses	-983	-48
Changes in fair value	1,738	226
Other financial income and expenses	-	-
NET OTHER FINANCIAL INCOME/EXPENSES	2,323	3,173

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, 2020, 87% of trade receivables and operating receivables for films were not yet due, and 9% were due for less than 90 days.



Liquidity risk

The €60,000 bond, whose key features are described in note 8.2, 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 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, 2020, 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 15.74 and 0.36.

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, 2020, the Group's interest rate exposure was as follows:

	Total	Fixed rate	Variable rate	Not exposed
Financial assets ⁽¹⁾	130,355	-	130,355	-
Financial liabilities ⁽²⁾	-117,883	-64,710	-50,466	-2,707
Net position before hedging	12,472	-64,710	79,889	-2,707
Hedging	-	-	-	-
Net position after hedging	12,472	-64,710	79,889	-2,707
Sensitivity ⁽³⁾	799	-	799	-

(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, 2020, 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, 2020, revenue invoiced in a currency other than that of the company behind the transaction accounted for 7.6% of total consolidated revenue.

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

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



At June 30, 2020, the Group's exposure to operating foreign exchange risk was as follows:

	Risk related to a change in the euro value								
	Total (in thousands of euros)	USD/EUR	HUN/EUR	CAD/EUR	GBP/EUR	AUD/EUR	JPY/EUR	ILS/EUR	AUTRES/EUR
Assets	8,657	6,643	1,824	39	3	37	29	39	43
Liabilities	-166	-135	-	-	-31	-	-	-	-
Off balance sheet	1,989	1,989	-	-	-	-	-	-	-
Net position before hedging	10,480	8,497	1,824	39	-28	37	29	39	43
Hedging	-1,989	-1,989	-	-	-	-	-	-	-
Net position after hedging	8,491	6,508	1,824	39	-28	37	29	39	43
Sensitivity	-849	-651	-182	-4	3	-4	-3	-4	-4

An across-the-board 10% depreciation of each of the currencies against the euro would have a negative impact of k€849 on consolidated net income.

	Risk related to a change in the dollar value			
	Total (in thousands of US dollars)	GBP/USD	JPY/USD	MXN/USD
Assets	33	33	-	-
Liabilities	-	-	-	-
Off balance sheet	-21,632	-	-3,275	-18,357
Net position before hedging	-21,599	33	-3,275	-18,357
Hedging	21,632	-	3,275	18,357
Net position after hedging	33	33	-	-
Sensitivity	-3	-3	-	-

An across-the-board 10% depreciation of each of the currencies against the US dollar would have a negative impact of k\$3 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, 2020, the Group's exposure to financial foreign exchange risk was as follows:

	Risk related to a change in the euro value			Risk related to a change in the dollar value	
	Total (in thousands of euros)	USD/EUR	GBP/EUR	Total (in thousands of US dollars)	MXN/USD
Assets	64,543	61,285	3,258	293	293
Liabilities	-249	-249	-	-	-
Off balance sheet	-	-	-	-	-
Net position before hedging	64,294	61,036	3,258	293	293
Hedging	-36,336	-33,461	-2,875	-	-
Net position after hedging	27,958	27,575	383	293	293
Sensitivity	-2,796	-2,758	-38	-29	-29

An across-the-board 10% depreciation of each of the currencies against the euro would have a negative impact of k€2,796 on consolidated financial income. A 10% depreciation of the Mexican currency against the US dollar would have a negative impact of k\$29 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, 2020, the exchange rate exposure from foreign investments was as follows:

(in thousands of euros)	USD/EUR	GBP/EUR
Assets	196,664	1,716
Liabilities	-289,210	-4,152
Off balance sheet	89,453	-113
Net position before hedging	-3,093	-2,549
Hedging	-	-
Net position after hedging	-3,093	-2,549
Sensitivity to a 10% change	309	255

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

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 contingencies

	06.30.20	Movements of the period				12.31.19
		Increases	Uses	Reversals ⁽¹⁾	Other ⁽²⁾	
Provisions for pension and similar benefits	4,747	228	-	-	-	4,519
Non-current provisions	4,747	228	-	-	-	4,519
Provisions for legal proceedings relating to intellectual property rights over works	30	30	-50	-	-	50
Provisions for legal proceedings with personnel	294	45	-8	-	-1	258
Provisions for property-related expenses	-	-	-	-	-	-
Provisions for other costs	438	131	-	-	-	307
Current provisions	762	206	-58	-	-1	615
TOTAL	5,509	434	-58	-	-1	5,134
Impact on current operating income		434	-58	-	-	
Impact on non-current operating income		-	-	-	-	
Impact on share of net income of associates		-	-	-	-	
Impact on other comprehensive income		-	-	-	-	

(1) Unused amounts.

(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.

Gaumont is subject to legal proceedings related to its day-to-day operations. The group and its counsels had a close look at the charges set out and concluded that no provision had to be accounted for at this stage of the proceedings.

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.

11. Income tax

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

	06.30.20	06.30.19
Current income tax	-34	-33
Deferred tax	-569	90
TOTAL TAXES	-603	57



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

	06.30.20	06.30.19
Net income of companies before tax	-5,308	-18,150
Current tax rate applicable to the parent company	28.00%	28.00%
Theoretical tax	1,486	5,082
Impact of tax rate differentials on temporary differences	14	6
Tax rate differentials between France and abroad	-214	-14
Permanent differences	30	-15
Impact of capping deferred tax assets at the amount of deferred tax liabilities	-1,583	-
Long-term gains on disposals of consolidated shares	-	-8
Change in unrecognized tax loss carryforwards	-931	-5,460
Tax consolidation	165	56
Tax credits in operating income ⁽¹⁾	464	443
Income tax without base and tax credits	-34	-33
Effective tax benefit (expense)	-603	57
Effective tax rate	-11.36%	0.31%

(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:

	06.30.20	06.30.19
Managers	132	118
Supervisors	47	54
Employees	69	61
AVERAGE WORKFORCE	248	233

13. Subsequent events

No event likely to have a material impact on the consolidated financial statements set out above has occurred since June 30, 2020



Statutory auditors' report on the half-year financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting 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 hereby report to you on:

- the limited review of the accompanying condensed half-yearly consolidated financial statements of Gaumont for the period from January 1 to June 30, 2020;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements were drawn up under the responsibility of the Board of Directors, meeting on 10 September 2020, on the basis of the information available at that date in the context of the evolving COVID-19 health crisis and the difficulties in understanding its impacts and prospects for the future; 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 consists of making inquiries, primarily 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, dated 10 September 2020, 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 11, 2020

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 11, 2020

Sidonie Dumas

Chief Executive Officer

