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UNIVERSAL REGISTRATION DOCUMENT
Annual report



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2021
ANNUAL REPORT



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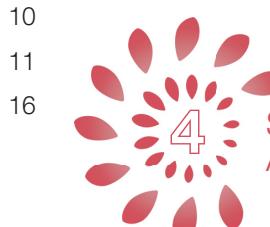
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MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

While we are not out of the pandemic, which, thanks to vaccines, now it seems to have less serious consequences for patients, since February 24, the war, the real one, with all its horror and destruction has been raging in Europe.

No one can predict when and how the conflict will end, as all predictions have been proven wrong. As is often the case in tragedies, it is daunting to think that this war will be longer and harder than many imagined it to be.

It seems trivial to talk about Gaumont, cinema or television series, in such a context.

However, it is our responsibility, and we must do so. We achieved this in 2021, and managed to move back to making a profit, albeit modest. This was down to the hard work of our teams, who have shown a remarkable ability to adapt to unprecedented situations.

2022 will be a complicated year in an unstable environment. In addition to its important role in producing French films, for a number of years Gaumont has been strengthening its role as an independent producer for various small-screen broadcasters.

Gaumont produces with success for all French television channels.

The reception given to the series produced by Gaumont in the United States for various platforms has led Gaumont to extend its productions to France, Germany and the United Kingdom. Hopefully Gaumont will also expand into Italy in the future, where it has recently opened a subsidiary.

Platforms are revolutionizing the way in which images are produced and broadcasted. With delay, the regulations adapts, attempting to destabilize traditional players as little as possible, while hoping to allow the sector to benefit from the arrival of these new entrants.

It is not certain that in France the new arrangements are favorable to the cinema, even if though the audiovisual sector as a whole can clearly only benefit from them.

Although the diligent work of Alpa employees enables rights holders to regularly obtain from the courts the blocking or delisting of many pirate sites, thus limiting the number of illegal downloads, the absence of political will has meant that to date, it has not yet been possible to impose a reasonable fine for those who engage in these activities. This causes considerable harm to the profession and a significant loss of revenue for the public authorities.

In a constantly changing sector and a world in which dramas succeed crises, Gaumont is coping, hoping that its commitment to the production of high-quality images will bring a beacon of light to a dark world.

Nicolas SEYDOUX, March 30, 2022



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

When war broke out in Ukraine on February 24, 2022, I began to consider what to write here, and writing about 2021 results no longer held the same significance. The last two years have been filled with uncertainties related to the pandemic, and 2022 is likely to be even more complex because of the impacts that this war unleashed by Russia will have on the global economy.

2021 has not been a bad year for Gaumont, as we have returned to profit.

Movie theaters were closed for nearly seven months, from the end of October 2020 to May 19, 2021, and we had to be smart, flexible and able to adapt, so that the films intended for them could be released on the big screen. Juggling release dates and managing the expectations of our stars has been an ongoing challenge, as everyone wanted their film to be released on May 19.

The movie theater is slowly recovering from its convalescence, and even a slight sniffle is enough to throw it off-kilter. Attendance is driven by the prevailing atmosphere, which is worrying for multiple reasons, including uncertainties about how Covid will play out, the cost of living crisis and the forthcoming French presidential elections.

Despite this rollercoaster ride for films, we have had some great successes: *Bye Bye Morons* which was released a second time after a very promising one-week career in October 2019, *OSS 117 From Africa with Love*, *Lost Illusions* and *Aline!* are great examples.

At the same time, at the end of 2021, the profession signed two major agreements, including a new agreement with Canal+, providing the profession with an investment of nearly €200 million in the cinema. It has also changed its media timeline to allow the platforms that signed it to be able to broadcast the films in which they have invested fifteen months after their movie theater release.

At the same time, the series business segment is in full swing at Gaumont.

Whether in the United States, France or Germany, historical platforms and channels have a fierce appetite for novelty. They all want new stories with high potential! The worldwide success of *Lupin* in January 2021 boosted Gaumont's reputation and fourteen television programs were delivered in

2021, compared to nine in 2020. The third season of *Narcos Mexico*, the fifth season of *The Art of Crime* and *Nona and her Daughters* were just some of the series that were big audience success. 2022 began with the new Omicron variant.

Movie theaters remained open, but some spectators made a U-turn when they discovered that drinks and sweets could not be sold, and attendance fell drastically. As a result, we had to postpone the release of Franck Dubosc's film scheduled for January 18. Wednesday outings are no longer the norm. As spectators now have other things to deal with during the week, they tend to go out more at the weekend. To date, we do not have sufficient hindsight to know whether this decline in attraction to the big screen is a cyclical or structural problem.

This situation implies to be more demanding in the choose of productions, it is what generally done at Gaumont. Nevertheless, I believe that since 2020 making mistakes is even more risky, as the public is more aware of what they do not want to see. It should be noted that comedies are still extremely popular.

We must therefore continue to be bold and make each release a milestone.

Despite these difficult circumstances, we were rewarded with the César of Best Actress for Valérie Lemercier due to her performance in *Aline!* and with seven César for *Lost Illusions*, including Best Film, which we are extremely proud of.

2022 promises a range of exciting projects with eight films scheduled for a release in theaters, and thirteen new series.

Of course, geopolitics and a new variant could affect our businesses in the long term. We must however remain optimistic and hopeful without being naïve, because, as Francis Scott Fitzgerald wrote in The Great Gatsby, "Reserving judgements is a matter of infinite hope".

Sidonie DUMAS, April 4, 2022





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OUTLOOK AND STRATEGIC DIRECTION

An inevitable change to the way we access moving images

At the end of a two-year period that considerably limited travel in all countries around the world, international and local players in the audiovisual sector have largely taken advantage of this constraint to support and even accelerate the transformation of access to moving images. While works are still made for the movie theater, and still showcased in that setting, movie theaters are no longer the optimal means of reaching the largest audience.

With the exception of Sony, all major American studios have now set up their own platforms to create a direct link to their customers.

Covid-19 naturally accelerated this transformation, which was already underway due to huge technological developments for the provision of moving images.

The continued deployment of very high-speed, fixed and mobile networks stands alongside the manufacturers' consistent progress in the standardization of digital encoding and compression formats for both still and moving images. This has expanded options for on-demand viewing, "where I want, when I want, what I want".

This transformation is demonstrated by the 1.5 billion smartphones sold each year to end users since 2017, with one third of the world's population now owning one (Statista, February 2021). This market, which, like others, faces a shortage of components, is supported by the "premium smartphone" segment, which is compatible with the "5G" standard. From 2022, this segment will account for more than half of sales (IDC, December 2021).

This shift towards consumption that is no longer hampered in mobility means that global players have greater access to local markets, thanks to the development of so-called "OTT" (Over the Top) technology. This technology literally sits "over the top" of telecommunications operators' existing technical infrastructure. Unlike satellite and fiber optic cable, as soon as the region has broadband coverage, the content provider has a direct link to the general public. The net neutrality principle, which allows a publisher to use telecommunications infrastructure without having to pay for access, has led to the continued emergence of directly accessible services from any connected terminal.

The financial strength of these players, combined with their marketing know-how, has enabled the video on demand market to establish itself in the audiovisual services paid access segment. In Western Europe, OTT television and video revenues could amount to €40 billion in 2027 compared to €23.5 billion in 2021 according to the latest forecasts from the British analytics company Digital TV Research (March 2022).

Faced with the economic dominance of the big tech companies (Google, Apple, Facebook, Amazon, Microsoft) and Netflix, Europe has become aware of sovereignty issues, and is fighting two battles, both on the taxation of digital giants, and protecting the personal data of its citizens. National transpositions of the European Audiovisual Media Services Directive (AVMSD) have already made it possible to impose creation investment obligations on these global players, which target consumers in France, and more broadly to apply exposure quotas for works in European Union countries. These regulatory provisions offer additional growth prospects for local producers.

Against the background of the proliferation of premium pay-video offers, demand for audiovisual programs is under high pressure and translated into increased competition in the search for original stories and access to rights to adapt intellectual property.

Faced with two years in which movie theaters have been faced with a string of closures and reopenings, and an audience that has not yet returned to the big screen, the financing of film production in France and abroad remains a challenge. France can be proud of a major breakthrough in the integration of global subscription video on demand players into its regulatory system. However, the most ambitious and high-budget films, but also films with the best artistic production are facing increasing difficulties affecting historical players weakened by the repercussions of the Covid-19 epidemic and the transformation of the way in which works are consumed. The future will tell whether mergers of traditional French and European broadcasters are likely to bring both an economic benefit for creation, and a move towards greater cultural sovereignty, given the dominance of non-European players.

Lastly, this change in consumption patterns marks the end of the distinction between the straight-line world of conventional television, and the entirely on-demand world of audiovisual services. It also raises questions on any degree of separation between paid and free access to programs, a development that is highlighted by traditional broadcasters to justify their merger. AVOD (Advertising Video On Demand) platforms, *i.e.* on-demand services financed by advertising as opposed to subscription video on demand services (SVOD), are beginning to emerge in the United States. The ViacomCBS group therefore offers AVOD Pluto TV and SVOD through Paramount+. Revenue in the AVOD sector in the United States could triple by 2026 to reach \$31 billion. In Western Europe, revenue growth is expected to double from €5.4 billion in 2021 to nearly €11 billion in 2027 (Digital TV Research, May 2021). At the same time, these new players will, alongside pay service players, invest heavily in series and films. The amount of subsequent investments could thus reach 54 billion euros worldwide.



An open-ended organization for the production of local stories with a global reach

With offices in Paris, Los Angeles, London, Berlin and most recently, Rome, Gaumont's teams are working to respond to this shift in demand with an offering that is as close as possible to its talent and customers, to produce local stories with a global appeal.

Gaumont also has a catalog of nearly 2,500 hours of programs, including more than a thousand feature films, which enable it to re-use the best stories and serve its national and global customers with these works.

Gaumont believes that its 126-year history is proof of its ability to adopt an innovative approach to modern issues, while continuing to listen to what customers want and respond to the change in the public's consumption habits. Capitalizing on its catalog, when necessary, our teams are tasked with bringing together current and emerging talent to create, produce and market original and other works in a range of languages.

Both now and in the future, Gaumont is able to offer creators and distributors an open-ended savoir-faire. Particular emphasis is placed on creative synergies between the feature film and drama teams. This approach allows both talents and customers to have access to the best stories without exclusivity.

In the United States, England, Germany and France, and now in Italy, the audiovisual drama teams are handling a growing number of projects, giving them a firm local footing where necessary while also taking advantage of synergies at international level. This strategy is fully reflected in the animation segment, which is based on two locations, in the United States and France, whereby the whole world recognizes its quintessentially French know-how.

In this rapidly changing economic and creative environment, Gaumont, the world's oldest film company, finds itself at the heart of an ambitious challenge that it intends to take up. That is, promote local stories, which create social and emotional links spanning continents and connecting one people to another.



OVERVIEW OF THE MAIN OPPORTUNITIES AND RISKS

IMPACTS OF THE COVID-19 EPIDEMIC ON GAUMONT'S ACTIVITY, INCOME AND FINANCIAL POSITION

IMPACTS OF THE COVID-19 EPIDEMIC ON GAUMONT'S ACTIVITY, INCOME AND FINANCIAL POSITION

Description of the risk and its effects

Since March 2020, companies in the audiovisual industry have been affected by an unprecedented health. With their work organization and production being upended, they need to strategize in an environment in which some or all of their activities are slowing down or coming to a standstill. During the first lockdown in 2020, all shootings in France and around the world stopped overnight, making the completion of films uncertain. In 2021, the impact of the Covid-19 pandemic continue to have significant impacts on cinema production and distribution activities.

In Gaumont's business segments related to the production and distribution of films and television series, successive protocols, health safety rules and lockdowns resulted in interrupted shootings, costs related to these shutdowns, postponed film releases and delivery delays for unfinished works.

In the continuity of previous years, feature film distribution was strongly impacted during 2021 in France and in the rest of the world due to various lockdowns, curfews and other restrictions on the presence of spectators in movies theaters (capacity limitations, sanitary and vaccination pass). In addition to all these restrictions, distributors are facing very strong competition due to a large flow of films whose theatrical release has been postponed several times since the beginning of the health crisis.

Actions implemented to control and mitigate the effects

In 2020, a business continuity plan was put in place. Tools have been rolled out to enable employees to continue working under proper conditions and to plan meetings and conferences remotely.

Remote work has been favored and even imposed in most of the company's segments, based on the pandemic fluctuation, whenever possible and without compromising the continuity of its business. Regarding activities that can only be carried on-site, the Human Resources Department has set up a guide to compliance with adapted rules put in place within the company.

In 2021, Gaumont has also adapted its films release policy to take into account the effects of health crisis. This effort will be pursued insofar as the uncertainty induced by an epidemic resurgence is still high and the flow of films to be released is still substantial.



RISK FACTORS

The internal control mechanism that has been set up is part of a global approach of management of existing risks and identification, measurement and mitigation of new risks likely to affect all or part of the Group's business, and their potential impact on the financial statements.

Gaumont reviews these risks and uncertainties when making any organizational changes, during the general revision cycles of its key operating procedures, and whenever particular internal or external events occur or an indicator of the appearance of a new risk is brought to the teams' attention.

The risks described below may affect Gaumont's business and financial position to greater or lesser degrees. Investors are requested to be aware of these prior to making investment decisions.

The major risks to which Gaumont is exposed in its current business are broken down into three categories and ranked according to the table below. The risks incurred by the Covid-19 pandemic are discussed separately at the beginning of this section given the extraordinary and long-term nature of the situation.

However, a statement indicates whether the risk is increased due to the pandemic.

RISK CATEGORY	RISK	POTENTIAL RISK	PROBABILITY/CHANGE	Covid-19 Effect (from 0 to 5)
Operating risk	Business development outside of France	Very high	Stable	4
Operating risk	Production hiatus or delays and associated cost overruns	High	Stable	4
Operating risk	Lack of availability of authors and artists	High	Increase	3
Operating risk	Financing of investments	High	Increase	3
Industry risk	Market saturation	High	Stable	3
Industry risk	Transformation of the audiovisual landscape and consumer habits	High	Increase	4
Industry risk	Continual change of the business model of online streaming platforms	High	Increase	3
Risk of disputes	Complexity of the regulations associated with intellectual property rights	High	Increase	0
Industry risk	Change in regulations regarding public grants for the industry	Medium	Stable	2
Industry risk	Release of films in movie theaters	Medium	Stable	3
Industry risk	Issues related to global warming and ecological transition	Medium	Increase	1



Industry risks

Market saturation

Description of the risk and its effects

The audiovisual industry is very competitive and the content offer is continually expanding. In France, more than 700 films are usually released in movie theaters each year.

The structural saturation of the market was amplified by the health crisis when movie theaters reopened in 2021. Indeed, many films that should have been released in 2020 were scheduled for a release in the months following the reopening of theaters, in addition to those initially planned for a release in 2021. As well as this backlog, measures have been implemented limiting audience numbers for each theater, which has put additional strain on the films on offer. This bottling up effect may continue in the following months.

Confronted with this surge of offerings, broadcasters, themselves changing their business model, have the upper hand to select which projects they will be funding and are becoming increasingly demanding in the choice of projects and control over production.

To set themselves apart and secure orders, producers are obliged to expand not only their production volume but also financial investments, development, production and distribution of projects incurring significant costs.

Actions implemented to control and mitigate the effects

Gaumont develops the broadest editorial line possible in such a way as to create a diversified offering that can appeal to a broad audience.

Drawing on its experience in production, Gaumont enacts an ambitious project development policy in each of its business segments, in France, Europe and the United States, and devotes important resources to this policy.

Release of films in movie theaters

Description of the risk and its effects

In a pandemic, access to culture is undermined. The closure of movie theaters, the introduction of audience limits and the implementation of unprecedented health rules in public buildings have wreaked havoc in our cultural and social lives, and on the economy.

For feature film producers, the release in movie theaters is a prerequisite for a "feature film", to obtain grants and allocations from the support fund and this triggers the payment of the main financing. A failure to release the film generates significant financial costs for producers, and for the distributors who incur the publishing costs without generating any revenues.

Actions implemented to control and mitigate the effects

Gaumont adapted its film release policy in 2021 to take the changing health situation into account. Seven films were released in 2021, four films were rescheduled due to the pandemic or to the saturation and one film was sold to a platform and therefore was not released in theaters.

Gaumont was not able to release any films during the long closure of theaters (six and a half month) and, as a result, the market was saturated in the second half of 2021, which led to the postponement of certain films in 2022.

Continual change of the business model of online streaming platforms

Description of the risk and its effects

Subscription-based video on demand platforms are proliferating worldwide and investing on a large scale in the purchase of all types of content.

These players have developed models based on an offer of original contents, completed by content available under license, in order to provide subscribers the most attractive and vast choice as possible.

In a market in which platforms, through their volume of investment, are now asserting themselves as major financial partners, these successive changes in model represent an economic and legal risk for producers who are forced to constantly adapt to new conditions in carrying out their activity.

Actions implemented to control and mitigate the effects

Amid this endlessly changing environment, Gaumont is expanding its production teams, increasing the number of both film and television projects, and developing commercial relations both with historical television channels and new actors.



Change in regulations regarding public grants for the industry

Description of the risk and its effects

In most countries, the film and audiovisual industries benefit from favorable tax systems and incentivizing public grants. These grants may take the form of tax credits, reimbursement of certain production or distribution expenses, subsidies, or assistance that can be repaid with the works' proceeds.

In all the countries where Gaumont operates, these tax incentives are widespread. They boost the financing capacity of producers and distributors and help maintain a diversified production activity.

Actions implemented to control and mitigate the effects

Gaumont benefits from various financial support for its film and television projects, both inside and outside of France, thereby facilitating the financing of works. Gaumont is careful to give priority to projects that have cost-effective budgets and for which the bulk of financing is provided by business and financial partners involved in production from the moment the investment decision is made.

The accounting methods for those grants and the amounts recognized in income for the period are presented, respectively, in note 3.4 to the consolidated financial statements.

Gaumont also participates in all discussions that may take place regarding regulatory changes, particularly through actions carried out with the professional unions.

Transformation of the audiovisual landscape and consumer habits

Description of the risk and its effects

The audiovisual landscape is witnessing dramatic changes. The proliferation of television channels, the inception of themed channels and then catch-up television, the emergence of connected broadcasting devices and the flourishing of video on demand have altered consumption practices and are forcing traditional networks to drastically rethink their economic model.

Demand for content is now increasingly focused on innovation and immediate availability, and this calls into question the sequenced scheduling of television series and shrinks the market for catalog works. The mushrooming of offerings causes audience dispersion and weakens the impact of advertising campaigns, the main sources of revenue for linear channels. Connected devices and multinational online streaming platforms allow people to consume content from around the world and require adaptation to locally restrictive regulations.

These changes simultaneously represent an opportunity and a risk for producers like Gaumont. On the one hand, the market is widening and new purchasers are cropping up, but on the other, competition is intensifying. In addition, broadcasters' demands are heightening and production costs are rising just as the investment capacity of traditional broadcasters is shrinking and protective regulations are being forced to loosen.

As far as distributors are concerned, this is an imposing challenge. Confronted with the race to innovation, dispersed audiences and a reduction in broadcasters' investment capacity, the market for long-term sales of works is contracting, prices are falling and negotiation conditions are stiffening.

The health crisis could accelerate the trends observed so far.

Actions implemented to control and mitigate the effects

In all its production activities, Gaumont focuses on continually adapting to changes in demand by positioning itself as a partner of all actors and by investing heavily in new-project development.

When it comes to television series, Gaumont continues to expand its catalog while also offering its series-making expertise to platforms.

As a distributor, Gaumont holds an extensive catalog of feature films in which it invests regularly so as to adapt it to technical standards, and which enables it to supply distributors with a broad, diversified product offering.

This catalog enabled to mitigate the effects of the pandemic in its financial statements.

Issues related to global warming and ecological transition

Description of the risk and its effects

Although its direct emissions of greenhouse gases are relatively low compared to the total emissions generated by all sectors, the production and distribution of feature films and audiovisual content contributes to global warming and the depletion of natural resources. Furthermore, due to the regulatory evolution, especially at the level of the European Union as affirmed by the European Commission in its Green Pact, all sectors of activity will be subject to a legal obligation to decarbonize.

The production of feature films and audiovisual content requires significant energy resources, whether for shooting, postproduction or the creation of animations. If the feature film and audiovisual content production sector does not start to evolve its practices towards greater sobriety, the inflation that will result from the rarefaction of resources and the decrease in greenhouse gas emissions, which will be regulated, could lead the sector to a sudden and uncontrolled decline.

Actions implemented to control and mitigate the effects

In its production activities, Gaumont strives to limit its impact on greenhouse gas emissions and resource consumption by implementing specific measures for each shooting under its responsibility. These measures, whenever possible and without compromising artistic and technical quality, include for example optimizing travel, using recycled sets and recycling consumables.

In addition, Gaumont has decided to designate a referent to deal with social and environmental responsibility issues. An impact report on Gaumont's environmental footprint is currently being drawn up and will allow to define areas for improvement which will permit to respond as fully to all the challenges posed by environmental risks.



Operating risks

Production hiatus or delays and associated cost overruns

Description of the risk and its effects

The production business requires Gaumont to face hazards on a permanent basis and to demonstrate a substantial ability to adapt. Numerous events can cause production delays and automatically, an inflation in production costs. In activities where investments are substantial and margins are sometimes uncertain, it is necessary to limit the risks of loss at the outset of the prefinancing phase.

During the health crisis in France and worldwide, audiovisual production activities may have been canceled or postponed and have potentially generated significant additional costs.

Actions implemented to control and mitigate the effects

Gaumont organizes its production teams around several key specialized positions responsible for ensuring on a permanent basis that projects are carried out smoothly.

Production supervision is handled by a line producer whose role is to monitor the budget of the film, to authorize expenses, to ensure that the filming schedule is respected and to supervise the editing work. The line producer is assisted by a production manager whose role is to ensure that adequate resources are provided for the project and to monitor the execution of the budget. Production controllers are responsible for monitoring the cost of ongoing productions and the associated financial risks. The teams play a vital role in controlling production costs by monitoring the production budgets in close collaboration with the production administrator.

Insurance specific to the production business is taken out in order to cover in the preparation and production phase the risk of illness or accident affecting the main actors or the director as well as the risk of damage to the master recording. Completion guarantees can also be subscribed when the context requires it.

Postponements and additional costs generated by the health crisis are, as far as possible, anticipated in production budgets of films and audiovisual contents produced by Gaumont.

Lack of availability of authors and artists

Description of the risk and its effects

The creative process for an audiovisual project starts with an original idea and includes the writing, shooting and editing stages until the work is presented to the public. The manufacturing chain for a feature film or a television show is lengthy and often complex, involving collaboration among numerous technicians and artists.

Because of the increase in volume, particularly with the surge of orders from video on demand platforms, producers are increasingly facing with the lack of availability of authors, actors, graphic designers and other specialized technicians. This situation is forcing producers to resort to often

costly measures such as exclusivity contracts or to call on foreign resources. These practices lead to financial risks for producers with no guarantee that projects will be produced, but also legal risks related, for example, to a misunderstanding of the employment and tax regulations applied to foreign residents.

Actions implemented to control and mitigate the effects

In order to guard against a lack of resources, Gaumont's main strategy is based on quality partnerships with talent agencies, to confirm or forge relationships of trust with authors, professionals and their agents.

To allow Gaumont to work with participants residing abroad, some subsidiaries have been registered with the main English-speaking guilds, and partnerships have been entered into with local companies specializing in managing authors and performers for production companies.

Internal procedures have also been put in place to guarantee the proper administrative management of those particular issues.

Financing of investments

Description of the risk and its effects

Developing projects and producing works are costly processes that commit Gaumont over several years.

In the case of feature-length films, Gaumont's investments can be significant and the margins sometimes uncertain. Therefore, the risk of losses must be capped from the pre-financing phase.

In television production, most of the funding contracts call for instalments with periodic payments throughout production and beyond the delivery date. To ensure the simultaneous funding of all its activities, Gaumont must quickly mobilize substantial financial resources.

Actions implemented to control and mitigate the effects

To preserve its investment capacity while increasing the number of projects, Gaumont engages in products with variable budgets and diversifies the typology of its productions, alternating among projects produced internally, all-inclusive investments and projects without liquidity advances.

To cover its cash needs, particularly during the production cycle, Gaumont resorts regularly to dedicated bank financing, particularly in the United States, where investments are traditionally quite high.

Within the Finance department, a financing and treasury department ensures that Gaumont always has access to adequate, long-term sources of available cash to enable the business to continue to operate. Cash positions are checked daily and cash flow forecasts are drawn up and reviewed periodically. This department also sets hedging policy to manage the risks inherent in the borrowings.

The analysis of the financial risks associated with liquidity needs, with changes in interest rates and currency fluctuations is presented in detail in note 7.1 to the consolidated financial statements.



Business development outside of France

Description of the risk and its effects

After developing its television series production business in the United States, Gaumont established a presence in the United Kingdom and Germany four years ago, and in Italy during 2021. This phase of development requires massive investments and additional cash needs to develop the series and for ramp up costs.

In addition to cash requirements, investments in companies outside the euro zone expose Gaumont to currency fluctuations.

Actions implemented to control and mitigate the effects

Controlling the development expenses of the new activities is ensured by establishing estimated budgets and by controlling the available financing for subsidiaries under development. Financing resources are centralized and cash is supplied monthly based on cash estimates established by the subsidiaries and monitored centrally by the Finance department.

In order to mitigate foreign exchange risks related to the development of business abroad, Gaumont has put in place a foreign exchange hedging policy. The analysis of the foreign exchange risk is presented in note 7.2 to the consolidated financial statements. Moreover, in 2018 Gaumont chose to locate part of its financial resources directly in the United States in order to finance its local needs in local currency.

In terms of security and risk prevention, contractual conditions are imposed on all subcontractors and auditing processes have been established and turned over to a coordinator in security and health protection matters.

Gaumont has also taken out insurance policies specific to real estate projects, in particular to cover the civil liability of the project owner and the risks inherent in the project. Moreover, Gaumont has a bank guarantee on the cash advances paid to the general contractor in charge of the project and guarantees from the lessee. These commitments are presented in note 4.3 to the consolidated financial statements.

Risk of disputes

Complexity of the regulations associated with intellectual property rights

Description of the risk and its effects

Intellectual property constitutes the heart of the cultural and artistic industry. Like other cultural industries, the audiovisual industry is therefore exposed to legal risks, primarily including disputes relating to intellectual property rights and sharing proceeds from a work.

Actions implemented to control and mitigate the effects

Management of rights is at the heart of all of Gaumont's activities. In order to ensure compliance with regulations at all times and to limit the risk of disputes to the extent possible, lawyers specialized by activity take charge of negotiating and formalizing all contracts for authors as well as production and distribution contracts. The execution of authors' contracts is assigned to teams specializing in calculating royalties or to external partners when justified by the complexity of the contracts.

For monitoring rights and administering sales, Gaumont uses applications for managing and controlling rights in order to guarantee the chain of rights of its catalog.

In the event of a dispute concerning intellectual property rights, Gaumont is assisted by law firms with recognized expertise in this area. Where applicable, Gaumont records provisions for these risks in its financial statements. These provisions are presented in note 8.1 to the consolidated financial statements.



INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURE

Compliance with an ethics charter

Gaumont monitors compliance with certain rules of conduct and ethics. These are brought together in a professional ethics charter which sets out a Code of conduct with which employees must comply, with specific reference to stock market dealings, the confidentiality of Gaumont's data and relationships with clients and suppliers. Employees must confirm in writing that they will adhere to these rules. The professional ethics charter is appended to Gaumont's rules of procedure, which also sets out the rules for using the IT, telephone and internet tools and reminds users of their responsibilities in this area.

Centralized management of internal control

Gaumont's internal control is based on the principles and components of the AMF's simplified Reference Framework for small caps and midcaps.

The internal control principles and guidelines are drafted by the central internal control department and then distributed to all subsidiaries. The guidelines are transposed into procedures at company level and implemented with the help of local resources and centralized departments.

When companies are acquired, Gaumont makes every effort to integrate the mechanism within a reasonable time frame, which may, however, vary according to the size of the company.

The half-yearly report on the internal control strategies and activities is submitted to the Audit Committee, which delivers an opinion on the work carried out and the general mechanism put in place.

Managing IT risk

The management of IT risk is organized into four key areas: the security policy, segregation of functions, change management and user training.

The security policy mainly covers outsourced hosting of infrastructure, firewalls and network updates, multiple data backups, password management and secure e-mail access, updating of workstations and protection against new threats, spam filters and domain name protection.

The segregation of functions in the applications is done through user account management, with a separation of read, change and configuration rights. These rights are managed by administrators who are not involved in producing accounting and financial information.

Change management oversees the corrective maintenance and upgrading of the applications. The most important interventions are carried out as part of structured projects, and with the support of specialized consultants when necessary.

Lastly, to train users, Gaumont regularly holds educational sessions on IT security, and every year numerous users undergo training on the tools used to perform their duties.

Internal control and risk management procedures in place for the preparation and processing of the accounting and financial information

To control the risks which could have a direct impact on the accounting and financial information, Gaumont put in place an internal control system based on a set of rules and procedures which it strives to permanently upgrade and adapt.

The main principles of Gaumont's internal control system

Expenditure workflow and control procedures and fraud risk management

All expenditures and financial flows of Gaumont and its subsidiaries are subject to a multi-level validation procedure.

BUDGET CONTROL

Each year, the operations and functional managers submit to Executive management and the Finance department their strategy, objectives, and detailed budget requirements for the following year. Once approved by Executive management, a consolidated summary is compiled by the Finance department and submitted to the Board of directors. The approved budgets serve as a reference for expenditure commitments for the following fiscal year.

As films are released in movie theaters and television programs delivered, the Finance department arranges for the business forecasts to be updated. By doing this, any significant variation in activity which could impact the consolidated results can be anticipated. All the budgets are updated at least once a year and submitted to the meeting of the Board of directors called to approve the budget for the following year.

Structural and general operating expenses are reported half-yearly.



VALIDATION OF EXPENDITURE

Gaumont's organization is structured around levels of authority and responsibility. It is based on a delegation and transaction authorization system drawn up to meet the specific needs and constraints of every activity. The procedures are formalized in the procedure manual and apply to all business sectors of Gaumont and its subsidiaries.

An organization which structures transactions and delegations of power is key to risk management within Gaumont. To further tighten the control of its processes, Gaumont implemented an invoice validation workflow software, which guarantees compliance with the internal delegation rules.

In 2021, a dematerialized management tool for employee expense reports was set up with managerial approval levels.

CONTROL OF PAYMENTS

To limit the risk of misappropriation of funds, Gaumont has a double signature policy in place for all payment means. This offers security against internal fraud and provides more opportunities to detect errors and anomalies.

Gaumont has implemented digital bank signatures, in the form of secure and personal validation keys for each signatory, in compliance with the double digital signature principle and aligns these rules with an IT system that has rights management and is administered by a nonsignatory user who is not involved in managing cash.

SEGREGATION OF FUNCTIONS IN THE FINANCE DEPARTMENT

The Finance department is organized into specialized departments to separate bookkeeping, financial audit, cash management, and internal control functions. The people involved in the processes most susceptible to fraud, such as managing third parties and bank references, issuing payments, and validating invoices, are spread among different departments. When the organization does not allow optimal separation of functions, internal control and the Accounting department validate the relevant procedures.

PREPARATION AND APPROVAL PROCEDURES FOR FINANCIAL STATEMENTS

Preparation of the financial statements for publication is covered by a procedure which involves several departments and is organized according to a detailed timetable drawn up by the Finance department. This timetable, which sets out the sequence of the work to be carried out by the different departments, is distributed to all relevant employees and the IT teams.

The data from the different departments are cross-checked by the Accounting department and the Controlling department to ensure consistency between management data and statutory accounting data.

Market software is used to keep the books and consolidate the financial statements, to guarantee compliance with the accounting rules, and is adapted to meet the specific business needs of Gaumont and its subsidiaries, for example using analytic plans to monitor activities.

Gaumont's separate and consolidated financial statements are audited each year and undergo a limited half-yearly review, in compliance with the rules of independence and the code of conduct of the statutory auditors, whose working methods focus particularly on controlling the risk of fraud and errors in preparation of the financial statements.

The financial information is submitted to the Executive management and the Board of directors for approval, as required by law, and published in accordance with the rules governing listed companies.



OVERVIEW OF THE MAIN OPPORTUNITIES AND RISKS



CONSOLIDATED FINANCIAL INFORMATION

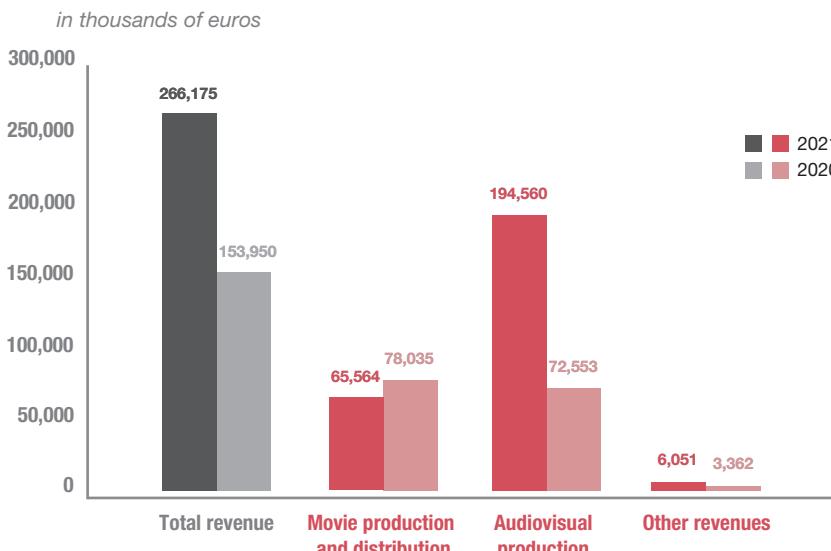
<u>Analysis of consolidated results</u>	20	<u>Notes to the consolidated financial statements</u>	36
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ANALYSIS OF CONSOLIDATED RESULTS

Revenue and breakdown by business

Gaumont's consolidated revenue amounted to k€266,175 in 2021, compared with k€153,950 in 2020. Revenue by business activity breaks down as follows:

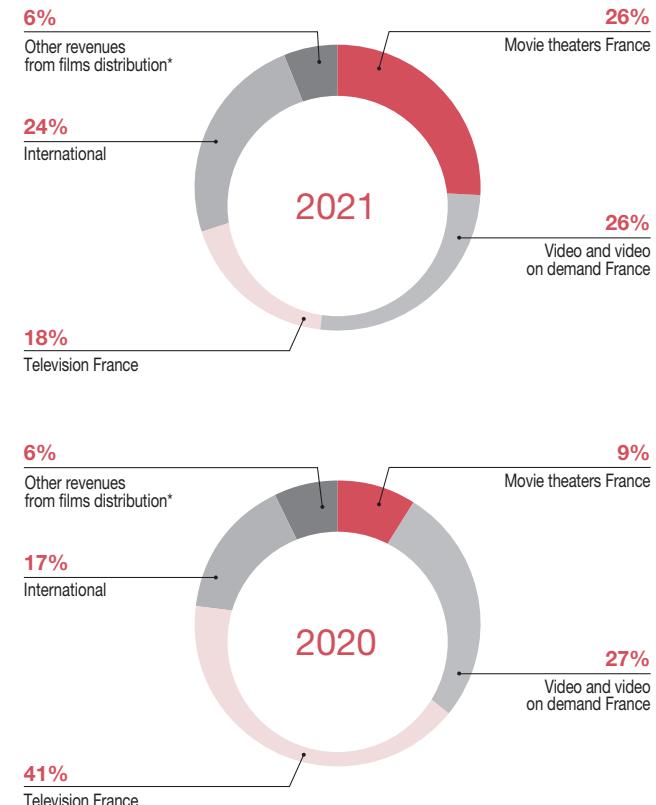


The Group's share of consolidated income represented a profit of k€1,040 in 2021, versus a loss of k€16,773 in 2020.

Movie production and distribution

Revenue from the feature film production and distribution business amounted to k€65,564 in 2021 compared to k€78,035 in 2020, while income from the business, including dedicated financing cost, before overheads, amounted to k€14,890 in 2021, compared to k€25,385 in 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

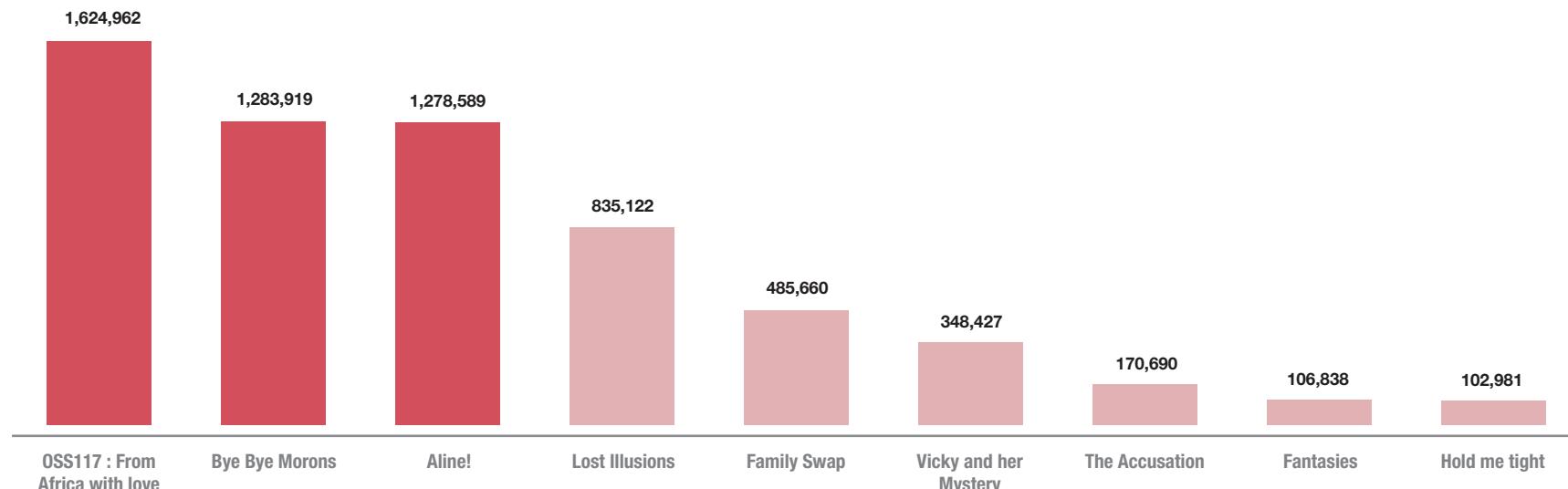
Revenue from the release of films in movie theaters in France stood at k€1,097 as of December 31, 2021 compared to k€7,351 as of December 31, 2020.

French movie theaters remained closed to the public between October 30, 2020 and May 19, 2021 due to the health crisis, i.e. 20 weeks in 2021 compared to 23 weeks in 2020. Between the reopening in May 2021 and the end of the year, movie theater attendance was affected by the introduction of maximum audience numbers and curfews until June 30, then by the requirement for viewers to hold a health pass.

Nine films were screened in 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*, directed by Jean-Patrick Benes, starring Franck Dubosc and Alexandra Lamy;
- *OSS117: From Africa with Love*, by Nicolas Bedos, starring Jean Dujardin, Pierre Niney, Fatou N'Diaye;
- *Fantasies*, by Stéphane and David Foenkinos, with Karin Viard, Jean-Paul Rouve and Ramzy Bedia;
- *Hold me tight*, directed by Mathieu Amalric, starring Vicky Krieps and Arieh Worthalter;
- *Lost Illusions*, directed by Xavier Giannoli, starring Benjamin Voisin, Cécile de France, Vincent Lacoste, Xavier Dolan, Jeanne Balibar and Gérard Depardieu;
- *Aline!* directed by Valérie Lemercier, starring Valérie Lemercier, Sylvain Marcel and Danielle Fichaud;
- *The Accusation*, by Yvan Attal, with Ben Attal, Suzanne Jouannet and Charlotte Gainsbourg;
- *Vicky and her Mystery*, directed by Denis Imbert, starring Vincent Elbaz and Marie Gillain.

6.2 million cinema tickets were sold for these films in 2021, while 2.7 million tickets were sold for films distributed in 2020. The breakdown by film of these cinema tickets admissions in 2021 is as follows:



Bye Bye Morons totaled more than two million box-office sales in 2020 and 2021. Screening of *Vicky and Her Mystery*, *Lost Illusions*, *Aline!* and *The Accusation* went ahead in the first quarter of 2022.



Sales of television broadcasting rights

Revenue from sales of broadcasting rights to French television channels amounted to k€12,122 as of December 31, 2021, compared to k€31,757 as of December 31, 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 with the opening of 177 films release windows compared to 233 in 2020.

Income related to first television broadcast rights for the movies *Tout simplement noir* and *Three Days and a Life* contributed to the revenue of k€1,210 for 2021.

Video publishing and video on demand

Revenue from video on demand and video publishing amounted to k€16,948 in 2021, compared with k€21,207 in 2020.

For 2020 it includes proceeds from the sale of broadcasting rights of *Bronx* to Netflix. For 2021 it includes revenue recognized on the completion of a production on behalf of Amazon Overdose.

The lockdowns and curfews in 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. The best-selling new releases on VOD in 2021 were *Bye Bye Morons*, *Tout simplement noir* and *OSS117: From Africa with Love*.

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

Export sales of rights

Revenue from export feature film distribution amounted to k€15,768 in 2021 compared with k€12,919 in 2020. The most promising new export titles in 2021 were *Aline!*, *Vicky and her Mystery*, and *Family Swap*. Proceeds from export sales were up mainly due to the sale of remake rights.

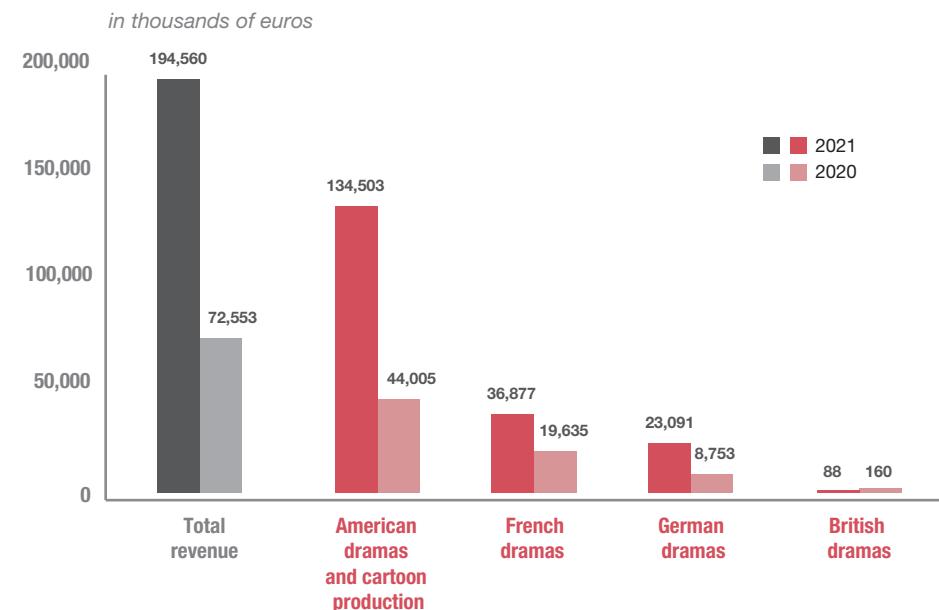
Other movie distribution channels

Revenue from these distribution channels amounted to k€3,629 in 2021 compared with k€4,801 in 2020. It includes revenues from the sales of goods, distribution of archival images by GP Archives, music publishing, and sales of spin-off products.

Audiovisual production and distribution

Revenue from the audiovisual works production and distribution business came to k€194,560 in 2021, versus k€72,553 in 2020, and income of the business, before overheads, including dedicated financing costs, stood at k€29,680 in 2021, compared with k€10,827 in 2020.

Revenue by business activity breaks down as follows:





Fourteen programs were delivered or partially delivered in 2021, compared to nine in 2020:

- the American drama series, *Narcos Mexico – Season 3*, delivered to Netflix;
- the last episodes of the first season of the French drama series *Lupin: in the Shadow of Arsène*, delivered to Netflix;
- the children's animated series *Do, Re & Mi*, delivered to Amazon;
- the final episodes of the first season of the animated series for children *Stillwater*, delivered to Apple;
- the animated series *F is for Family – Season 5*, delivered to Netflix;
- the French drama series *Plan B* delivered to TF1;
- the German drama *Westwall*, delivered to ZDF;
- the French drama *The Art of Crime – Season 5*, delivered to France Télévisions;
- the French drama *What Pauline does not tell you*, delivered to France Télévisions;
- the French drama *Nona and her daughters*, delivered to Arte and SWR;
- the German drama series *Die Wespe*, delivered to Sky;
- the German one-off special, *Frau Sonntag bewährt sich: Tiere*, delivered to ARD;
- the documentary *Lords of Scam*, delivered to Netflix;
- the children's animated series *Bionic Max*, delivered to Gulli.

The 2020 revenue and results were negatively impacted by the postponement of the delivery of *Narcos Mexico – Season 3* to 2021.

Revenue and results in 2021 include income and expenses recognized in the percentage of completion of a certain number of ongoing productions such as the series *Totems* produced in France for Amazon, the series *Barbarians – Saisons 2* in production in Germany for Netflix and the series *Lupin: in the Shadow of Arsène – Part 3* in production in France for Netflix.

Holding and real estate activities

Revenue from holding company and real estate activities amounted to k€4,722 in 2021 compared to k€1,784 in 2020, while income from the business, including dedicated financing costs, before overheads, amounted to k€4,195 in 2021 compared to k€525 in 2020. The increase in income is mainly due to the delivery of a building and the sale of a property in 2021.

Overheads and other comprehensive income

Revenue linked mainly to services provided on behalf of third parties amounted to k€1,329 in 2021 compared to k€1,578 in 2020. The net overheads of the various operational activities as well as the functional and central services amounted to k€43,969 in 2021 compared to k€47,424 in 2020.

77% of net overheads corresponds to employee compensation expenses.

The average workforce in 2021 is composed of 236 full-time equivalent workers, and breaks down as follows:

BUSINESS SEGMENT	2021			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Gaumont SA	53	79	132	54	81	135
Feature film production and distribution subsidiaries ⁽¹⁾	7	7	14	9	7	16
Animated films and series production	5	3	8	6	7	13
Audiovisual series and drama production	30	52	82	28	43	71
Distribution of cartoon series, animated films and audiovisual drama	-	-	-	2	5	7
AVERAGE WORKFORCE	95	141	236	99	143	242
France	71	97	168	70	101	171
Germany	5	8	13	3	9	12
United Kingdom	3	10	13	4	7	11
United States	16	26	42	22	26	48

(1) Archive images management companies are included in this scope.

The net cost of financing general needs amounted to k€3,799 in 2021 compared to k€5,213 in 2020.

Income included a current income tax expense of k€1 in 2021, compared with k€313 in 2020, and deferred income tax income of k€44 in 2021, compared with deferred income tax expense of k€561 in 2020.



Cash flows and financial structure

Cash flows

As of December 31, 2021, the Gaumont Group had k€91,942 in cash, compared with k€114,374 at the beginning of the year, i.e. a negative change of k€22,432.

In 2021, current Group business activities generated k€142,019 in net positive cash flows, versus k€95,279 in 2020.

Investment activities

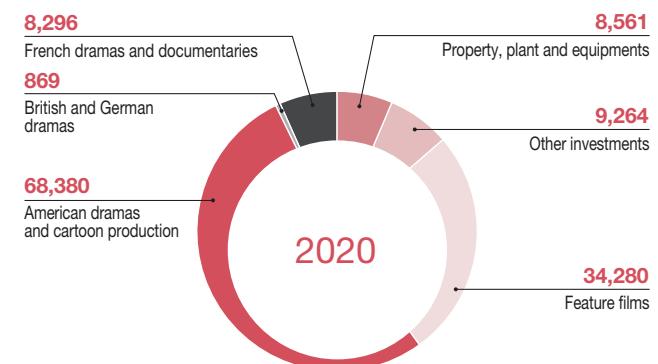
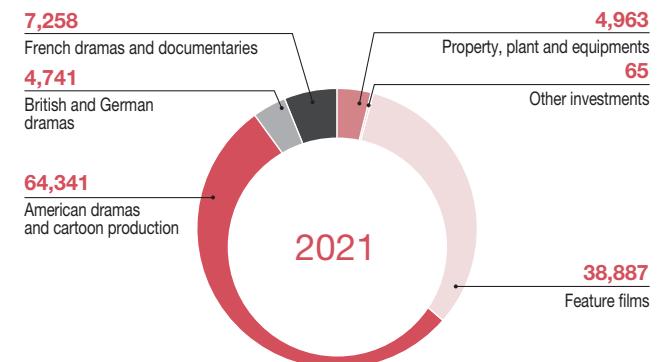
Net cash flows allocated to investments amounted to k€116,177 at December 31, 2021, against k€68,981 at December 31, 2020.

Over the last two years, investments were as follows:

(in thousands of euros)	2021	2020
Intangible assets	115,271	111,887
Property, plant and equipment	4,963	8,561
Non-controlling financial assets	21	48
Acquisition of shares in consolidated companies	-	9,154
TOTAL INVESTMENTS	120,255	129,650

Investments in intangible assets are mostly made up of investments in feature film and audiovisual program production. The volume of investments varies from one year to another depending on the type and number of ongoing projects.

Investments by nature are presented below (*in thousands of euros*).





Financing activities

In 2021, cash flows from financing activities included a reduction in debt of k€41,011 and loan interest payments of k€6,270.

Financing flows also include repayments of lease and finance lease liabilities, recorded under liabilities in the statement of financial position. These cash flows amounted to k€3,222 in 2021.

Equity

Consolidated equity stood at €k212,203 as of December 31, 2021, versus k€213,387 as of December 31, 2020.

The consolidated financial position stood at k€493,176, against k€505,204 in the previous year.

Net borrowings

The Group's net financial borrowings came to -k€5,331 as of December 31, 2021, versus k€9,532 as of December 31, 2020. This mainly includes k€92,108 in cash, a bond for k€15,000, a k€25,000 State-guaranteed loan and k€41,858 of self-liquidating production loans based on proceeds from pre-financing and the release of American and German series.

Financial borrowings do not include lease liabilities under IFRS 16, which amounted to k€9,952 as of December 31, 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 and Europe, the Group has to take out bank loans to finance its productions and uses the assignment of receivables to fund new projects. These borrowings are guaranteed solely by the rights and receivables attached to the assets financed.

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. The first tranche of this bond, totaling k€45,000, was repaid during the second half of 2021.

The detailed characteristics of the bond and the accompanying ratios are set out respectively in notes 6.2 and 7.1 to the consolidated financial statements.

Bank loan

In 2021, Gaumont took out a State-guaranteed loan for a total amount of k€25,000.

In 2021, Gaumont also took out a loan agreement comprising, for the refinancing of the first tranche of the bond presented above, a reducing loan totaling k€37,500, 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 line and the refinancing loan as of December 31, 2021, and Gaumont have an unused amount available for drawing of k€100,000.

Self-liquidating production loans

To finance American series, Gaumont Television USA and Gaumont Animation USA production subsidiaries take out production loans with American credit institutions specialized in financing production companies. They are exclusively allocated to financing the series concerned and are 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 outstanding loans totaling k\$121,422 were granted to the subsidiaries of Gaumont Television USA and Gaumont Animation USA to finance season 6 of *Narcos*, season 5 of *F is for Family* and *Usagi*. As of December 31, 2021, there was a cumulative outstanding balance of k\$47,364 and a total available balance of k\$14,805.

In Germany, Gaumont took out a loan to finance the production of the series *Die Wespe* for a total amount of k€9,000. The loan is intended to finance the work, and all rights and revenues under the contract with the main broadcaster are provided as collateral to the credit institution. As of December 31, 2021, the outstanding loan stood at k€248, with an available balance of k€3,394.



Assignments of receivables

In order to finance French productions, Gaumont makes regular use of the assignment of receivables under the Daily 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 December 31, 2021, all assigned receivables had been recovered.

In the United States, Gaumont entered into a receivables assignment agreement for a maximum authorized amount of K\$50,000 to finance the development of its new projects. This line of credit is based on the series' operating receivables, with the exception of receivables pledged to production loans. As of December 31, 2021, the debt related to these assigned receivables amounted to k\$2,137 and the unused amount of this credit facility stood at k\$2,137.

Detailed characteristics of these loans are set out in note 6.2 to the consolidated financial statements.

Other borrowings

Other borrowings included, in particular, debt to the *Caisse des dépôts et consignations* in respect of its investment in the back catalog restoration and digitization program, which totaled k€4,007 as of December 31, 2021.

Outlook

Future releases and deliveries

The measures adapted to the health crisis to organize work and shootings implemented in 2020 were still in place at the end of 2021, and Gaumont intends to continue its production of new works and distribution of the catalog in 2022, adapting to any changes in the situation.

Gaumont is not aware of any other uncertainties for the 2022 fiscal year other than that related to movie theater attendance.

Four films were released in movie theaters between January 1st and the approval by the Board of directors:

- *Rosy* by Marine Barnérias and starring Marine Barnérias, released in movie theaters on January 5, 2022;
- *The Wannabes* by Jonathan Barré starring the Palmashow (Grégoire Ludig and David Marsais), released in movie theaters on February 9, 2022;
- *Heart of Oak* by Laurent Charbonnier and Michel Seydoux, released in movie theaters on February 23, 2022;
- *Kung-Fu Zohra* by Mabrouk El Mechri, starring Sabrina Ouazani and Ramzy Bedia, released in movie theaters on March 9, 2022.

Two films produced and distributed by Gaumont were awarded during the Césars ceremony as of February 28, 2022: *Lost Illusion* with seven Césars including "Best films" and *Aline!* with the César of best actress for Valérie Lemercier. These two films are once again released in 2022:

Eight other films are scheduled for release in theaters in 2022:

- *The Biggest Fan* by Philippe Guillard, starring Gérard Lanvin, Artus and Antoine Bertrand;
- *Natural Born Liar* by Olivier Baroux with Tarek Boudali and Artus;
- *The Little Gang* by Pierre Salvadori, starring Paul Belhoste, Colombe Schmidt, Mathys Clodion-Gines, Redwan Sellam, Aymé Medeville and Pio Marmai;
- *Rumba Therapy* by Franck Dubosc, starring Franck Dubosc and Louna Espinosa;
- *Belle and Sebastian: Next Generation* by Pierre Coré starring Michèle Laroque, Caroline Anglade and Alice David;
- *The Colors of Fire* by Clovis Cornillac, starring Léa Drucker, Benoît Poelvoorde, Alice Issaz and Clovis Cornillac;
- *For Better and For Worse* by Tristan Séguéra, starring Fabrice Luchini and Catherine Frot;
- *The Island Bird* by Gérard Jugnot, starring Marc Lavoine, Gérard Jugnot and Soan Arhimann.

Delivery of the following audiovisual programs is also scheduled for 2022:

Germany:

- *Barbaren – Season 2* to Netflix (German drama, in postproduction);
- *Was zählt?* to ZDF (German drama, in postproduction);
- *Frau Sonntag: Das Große Los* to ARD (German drama, in preproduction);
- *Nothing that happens to us* (German drama, in preproduction).

United States:

- *Samurai Rabbit: The Usagi Chronicles* to Netflix (children's animation, in postproduction);
- *El Presidente – Season 2* to Amazon (American drama, in postproduction).

France:

- *Totems* to Amazon (French drama, delivered);
- *Overdose* to Amazon (French drama, in postproduction);
- *Hors Saison* to France Télévisions (French drama, in postproduction);
- *Lupin: in the Shadow of Arsène – Part 3* to Netflix (French drama, in shooting);
- *The Art of Crime – Season 6*, for France Télévisions (French drama, in preproduction);
- *Africa Raft* (French documentary series, in postproduction).

United Kingdom:

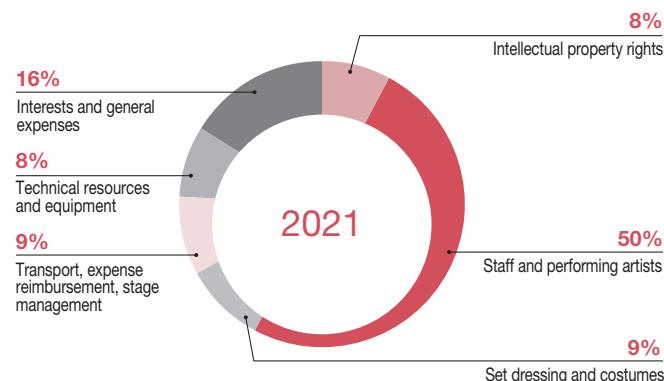
- *Damage*, to Netflix (British drama, in shooting).

Production costs and coverage rate

Cinema production

BREAKDOWN OF PRODUCTION COSTS

During 2021, Gaumont produced or co-produced, in part or in full, thirteen feature films. The total average expenses for all the films in which Gaumont invested breaks down as follows:



On average, 40% to 50% of the production costs of feature films are payments to staff and performing artists.

The breakdown by profession of contract workers in the production of films where Gaumont is line producer, is as follows:

CONTRACT WORKERS BY PROFESSION	2021	2020
Technicians	723	272
Artists and Actors	402	43
Extras	1,524	433
TOTAL WORKFORCE	2,649	748
Number of hours Total ⁽¹⁾ (in thousands)	179	63

(1) The daily number of hours worked depends on the collective agreement, the duration of the contract and the duties of each contract worker.

COVERAGE RATE OF FILM PRODUCTION

Investments for films that are due to be released in 2022 amount to approximately k€18,300.

The 2022 release program currently includes four films for which Gaumont is carrying out line production: *The Colors of Fire*, *Overdose*, *Rumba Therapy* and *Natural Born Liar*. The average coverage rate at start of production is 70%.

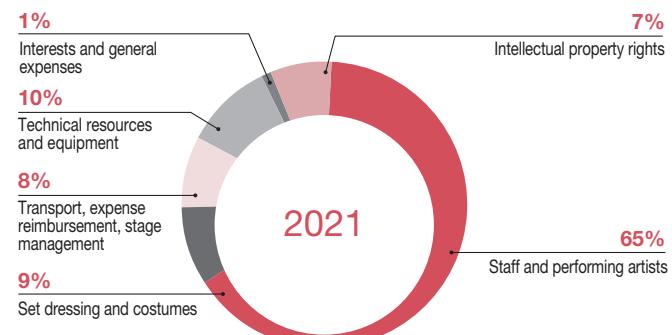
For the other films in its release program, Gaumont has opted for a fixed investment, thus limiting its risk of exposure to unforeseen production delays and cost overruns. Most of the cost of the film and pre-financing, such as contributions and pre-sales, is recognized by the executive producer responsible for line production.

As at December 31, 2021, with the exception of *Overdose*, the shooting of all films scheduled for release in 2022 has been completed.

European television production

BREAKDOWN OF PRODUCTION COSTS

In 2021, Gaumont and its subsidiaries produced around 37 hours of European television dramas representing a total budget of €58 million. The breakdown of this budget by cost type is as follows:





On average, more than half of the production costs of European television dramas are payments to staff and performing artists.

The breakdown of contract workers employed by Gaumont and its subsidiaries in the production of European television dramas is as follows:

CONTRACT WORKERS BY PROFESSION	2021 ⁽¹⁾	2020
Technicians	1,190	898
Artists and Actors	343	204
Extras	2,727	2,511
TOTAL WORKFORCE	4,260	3,613
Number of hours Total ⁽²⁾ (in thousands)	278	237

(1) Partial data for two dramas.

(2) The daily number of hours worked depends on the collective agreement, the duration of the contract and the duties of each contract worker.

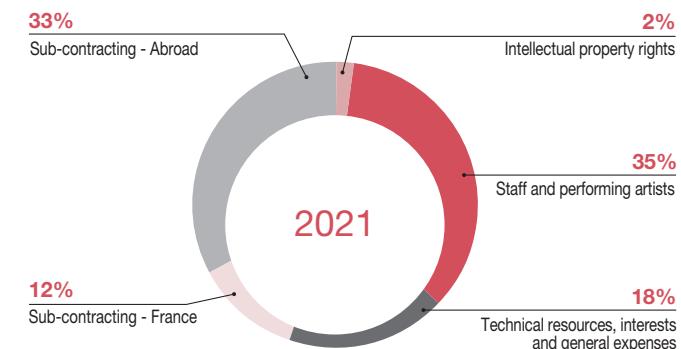
COVERAGE RATE OF EUROPEAN TELEVISION DRAMA PRODUCTION

The total coverage rate for European internal productions scheduled for delivery in 2022 is more than 100% for French, German and British television dramas including the tax credit, as of the date of the decision to go into production.

Cartoon production

BREAKDOWN OF PRODUCTION COSTS

In terms of its cartoon production, Gaumont has incurred €30 million of production costs in 2021 on an accumulated production budget of €129 million for seven cartoons. The breakdown of this budget by cost type is as follows:



The breakdown by profession of contract workers employed by Gaumont and its subcontractors in cartoon production, is as follows:

CONTRACT WORKERS BY PROFESSION	2021	2020
Technicians	430	484
Artists and Actors	80	32
Extras	18	3
TOTAL WORKFORCE	528	519
Number of hours Total ⁽¹⁾ (in thousands)	241	588

(1) The daily number of hours worked depends on the collective agreement, the duration of the contract and the duties of each contract worker. For example: technicians work 7 hours a day in cartoon production in France and between 7 and 12 hours, depending on the contracts, in American cartoon productions.

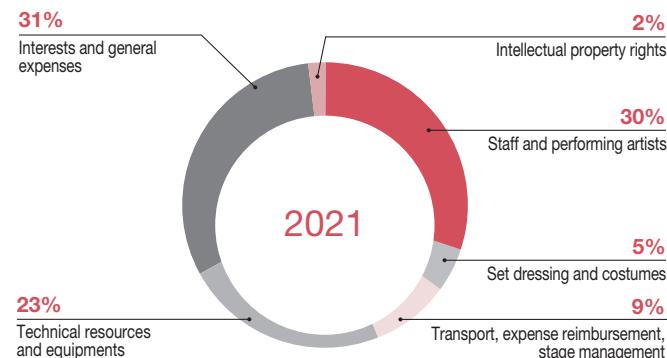
COVERAGE RATE OF CARTOON PRODUCTION

The average coverage rate for cartoon series scheduled for delivery in 2022 is more than 100%, as of the date of the decision to go into production.

American television production

BREAKDOWN OF PRODUCTION COSTS

In 2021, Gaumont and its subsidiaries produced around 12 hours of American dramas representing a total budget of €45 million. The breakdown of this budget by cost type is as follows:



The breakdown of contract workers employed by Gaumont and its subsidiaries for the production of American television dramas is as follows:

	2021	2020
Technicians	613	643
Artists and Actors	321	169
Extras	10,070	6,456
TOTAL WORKFORCE	11,004	7,268
Number of hours Total (in thousands)	706	940

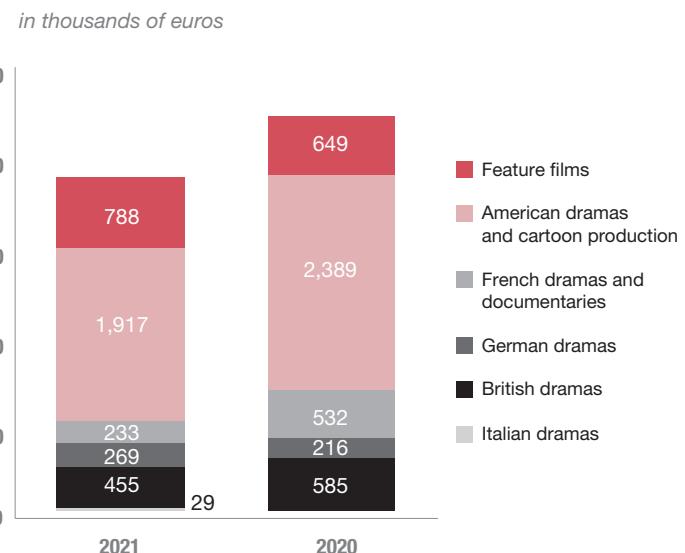
COVERAGE RATE OF AMERICAN TELEVISION DRAMA PRODUCTION

The total coverage rate for American productions (excluding cartoons for children) scheduled for delivery in 2022 is more than 100%, as of the date of the decision to go into production.

Development costs

Development costs are all costs related to feature films, cartoon series or television dramas incurred prior to making the final decision to invest in this project. These may be copyrights, option purchase, finding a shooting location, documentary research, etc. Related costs are expensed as soon as they are incurred. They have to be considered in addition to investments.

For 2021, preliminary costs totaled k€3,691, versus k€4,371 in 2020, and were divided up into the different business segments as follows:





CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(in thousands of euros)	NOTE	2021	2020 ⁽¹⁾
Revenue	3.2	266,175	153,950
Purchases		-2,089	-1,514
Personnel costs	3.3	-45,833	-41,027
Other current operating income and expenses	3.4	-61,418	-42,215
Depreciation, amortization, impairment and provisions		-154,902	-83,730
Current operating income (loss)		1,933	-14,536
Other non-current operating income and expenses	3.5	1,462	-58
Operating income (loss)		3,395	-14,594
Share of net income of associates		-	-
Operating income after share of net income of associates		3,395	-14,594
Gross borrowing costs		-6,575	-5,845
Income from cash and cash equivalents		104	11
Net borrowings costs		-6,471	-5,834
Other financial income and expenses	3.6	4,073	4,528
Net income (loss) before tax		997	-15,900
Income tax	9.1	43	-873
NET INCOME		1,040	-16,773
Share attributable to non-controlling interests		-	-
Share attributable to the shareholders of the parent company		1,040	-16,773
Earnings per share attributable to the shareholders of the parent company			
• Average number of shares outstanding	6.1	3,119,876	3,119,876
• In euros per share		0.33	-5.38
Diluted earnings per share attributable to the shareholders of the parent company			
• Average potential number of shares	6.1	3,131,743	3,131,426
• In euros per share		0.33	-5.36

(1) The financial statements as of 12.31.20 include the impacts of the retrospective application of the new IFRIC position concerning the model for calculating pension provisions.



Consolidated statement of comprehensive income

<i>(in thousands of euros)</i>	NOTE	2021	2020
Net income		1,040	-16,773
Translation adjustments of foreign operations		-4,144	4,067
Share in currency adjustments of foreign operations of associates		-	-
Change in fair value of available-for-sale financial assets		-	-
Changes in the fair value of cash flow hedging instruments	7.2	464	1
Changes in fair value of net foreign investment hedging financial instruments	7.2	1,944	-1,844
Share of changes in fair value of hedging financial instruments of associates		-	-
Income tax on gains and losses recognized directly in equity	9.1	-616	460
Other elements of comprehensive income that could be reclassified later in net income		-2,352	2,684
Changes in asset revaluation surplus		-	-
Actuarial gains (losses) on defined benefit plans	8.3	170	-769
Share of actuarial gains and losses of associates		-	-
Income tax on gains and losses recognized directly in equity	9.1	-42	192
Other elements of comprehensive income that cannot be reclassified in net income		128	-577
Total of other elements of comprehensive income after taxes		-2,224	2,107
COMPREHENSIVE INCOME FOR THE PERIOD		-1,184	-14,666
Share attributable to non-controlling interests		-	-
Share attributable to the shareholders of the parent company		-1,184	-14,666



Consolidated statement of financial position

ASSETS (in thousands of euros)	NOTE	12.31.21	12.31.20 ⁽¹⁾
Goodwill	2.4	12,035	12,035
Films and audiovisual rights	4.1	127,919	158,344
Other intangible assets	4.2	157	166
Property, plant and equipment	4.3	74,353	74,889
Investments in associates	-	-	-
Other financial assets	4.4	166	167
Non-current deferred tax assets	9.1	3,463	3,749
Non-current assets		218,093	249,350
Inventories	5.1	466	356
Trade receivables and contract assets	5.2	110,438	84,853
Current income tax assets	5.2	10,313	8,742
Other receivables and current financial assets	5.2	61,758	47,502
Cash and cash equivalents	6.2	92,108	114,401
Current assets		275,083	255,854
TOTAL ASSETS		493,176	505,204

(1) The financial statements as of 12.31.20 include the impacts of the retrospective application of the new IFRIC position concerning the model for calculating pension provisions.

**LIABILITIES AND EQUITY**

(in thousands of euros)

	NOTE	12.31.21	12.31.20 ⁽¹⁾
Capital		24,959	24,959
Retained earnings and comprehensive income		187,244	188,428
Equity attributable to the shareholders of the parent company		212,203	213,387
Non-controlling interests		-	-
Equity	6.1	212,203	213,387
Non-current provisions	8.1	9,702	9,194
Non-current deferred tax liabilities	9.1	3,131	2,823
Non-current borrowings	6.2	56,468	82,425
Other non-current liabilities	5.3	-	-
Non-current liabilities		69,301	94,442
Current provisions	8.1	1,197	708
Current borrowings	6.2	40,383	54,731
Trade payables	5.3	22,307	11,241
Current income tax liabilities	5.3	-	-
Other payables	5.3	88,557	84,523
Deferred income and contract liabilities	5.3	59,228	46,172
Current liabilities		211,672	197,375
TOTAL LIABILITIES		493,176	505,204

(1) The financial statements as of 12.31.20 include the impacts of the retrospective application of the new IFRIC position concerning the model for calculating pension provisions.



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	TOTAL			
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	-	-	-	-	-16,773	-	-16,773	-	-16,773	
Other comprehensive income	-	-	-	-	-	2,107	2,107	-	2,107	
Comprehensive income for the year	-	-	-	-	-16,773	2,107	-14,666	-	-14,666	
Capital transactions	-	-	-	-	-	-	-	-	-	
Share-based payments	-	-	-	-	-	-	-	-	-	
Dividends paid	-	-	-	-	-	-	-	-	-	
Elimination of treasury shares	-	-	-	-	-	-	-	-	-	
Other ⁽²⁾	-	-	-	-	-2,180	-	-2,180	-	-2,180	
As of december 31, 2020 published	3,119,923	24,959	5,278	-257	162,897	20,469	213,346	-	213,346	
Retrospective impact of the IFRIC position concerning pension provisions	-	-	-	-	41	-	41	-	41	
As of december 31, 2020 proforma	3,119,923	24,959	5,278	-257	162,938	20,469	213,387	-	213,387	
Net income for the year	-	-	-	-	1,040	-	1,040	-	1,040	
Other comprehensive income	-	-	-	-	-	-2,224	-2,224	-	-2,224	
Comprehensive income for the year	-	-	-	-	1,040	-2,224	-1,184	-	-1,184	
Capital transactions	-	-	-	-	-	-	-	-	-	
Share-based payments	-	-	-	-	-	-	-	-	-	
Dividends paid	-	-	-	-	-	-	-	-	-	
Elimination of treasury shares	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
As of december 31, 2021	3,119,923	24,959	5,278	-257	163,978	18,245	212,203	-	212,203	

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



Consolidated statement of cash flows

(in thousands of euros)	NOTE	2021	2020
Operating activities			
Consolidated net income (including non-controlling interests)		1,040	-16,773
Net allowances for depreciation, amortization and provisions	4.5	155,135	83,716
Unrealized gains and losses related to changes in fair value	7.2	395	-143
Other calculated income and expenses		-3,859	3,635
Gains and losses on disposal of assets		-1,462	87
Cash flow from operating activities after tax and net borrowing costs		151,249	70,522
Net borrowings costs		6,471	5,834
Tax expenses (including deferred tax)	9.1	-43	873
Cash flow from operating activities before tax and net borrowing costs		157,677	77,229
Tax paid		10,311	4,118
Change in working capital requirement related to operating activities	5.5	-25,969	13,932
(A) Net cash flow from operating activities		142,019	95,279
Investment activities			
Proceeds from sales of fixed assets		1,751	192
Acquisition of long-term assets		-120,255	-120,496
Change in liabilities on investments		2,327	-3,599
Net impact of changes in scope, net of cash acquired		-	-2,180
Change in liabilities and receivables on acquisitions and sales of consolidated shares		-	57,102
(B) Net cash flow from investment activities	4.5	-116,177	-68,981
Financing activities			
Gaumont SA capital increase	6.1	-	-
Dividends paid to Gaumont SA shareholders	6.1	-	-
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	6.2	-41,011	12,308
Interest paid on borrowings		-6,270	-5,161
Operating and finance lease payments and related interest		-3,222	-3,287
(C) Net cash flow from financing operations		-50,503	3,860
(D) Impact of changes in foreign exchange rates		2,229	1,409
NET CHANGE IN CASH & CASH EQUIVALENTS: (A) + (B) + (C) + (D)		-22,432	28,750
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		92,108	114,401
Bank overdraft at end of period		-166	-27
Cash position at end of period	6.2	91,942	114,374
NET CHANGE IN CASH & CASH EQUIVALENTS		-22,432	28,750



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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1. Presentation of the consolidated financial statements

1.1. Impacts of the health crisis

2021, like the previous one, was marked by the consequences of the Covid-19 health emergency in France and in all countries in which 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 nearly 20 weeks in the first half of 2021, and the film release plan was adapted. 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 guarantee its business continuity, particularly given a cash position that allows negative net financial borrowings excluding lease liabilities and a significant drawdown capacity on its credit lines. In particular, Gaumont has set up a refinancing operation as described in note 6.2.

Effects of this crisis on the period revenues 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 3.2.

Group assets have been considered with close attention with regard to a potential loss of value due to health crisis. The impairment test did not detect any impairment for goodwill as presented in note 2.4. Concerning films and audiovisual rights, the periodic review of revenue estimates did not reveal any significant changes in their recoverable value compared to December 31, 2020. As a result, no impairment has been booked as of December 31, 2021.

Films in progress or completed and not delivered were also subject to estimates taking into account the uncertainty surrounding the conditions and 2022 release schedule. On a basis of a decrease in box-office sales, the Group have recorded an impairment totaling k€4,850, of which modalities are presented in note 4.1.

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 3.3, 3.4, 4.3 and 5.2.

1.2. General principles

Pursuant to Regulation (EC) No. 1606/2002 of July 19, 2002, Gaumont's consolidated financial statements for the year ended December 31, 2021 were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable on that date.

The accounting principles used to prepare the consolidated financial statements comply with IFRS standards and interpretations as adopted by the European Union on December 31, 2021 and available from the website: https://ec.europa.eu/info/index_en.

These accounting principles are consistent with those used when preparing the annual consolidated financial statements for the reporting period ended December 31, 2020, with the exception of the IFRS standards and IFRIC interpretations applicable from January 1, 2021 and standards possibly applied in advance, the details and individual impact of which are described in note 1.3.

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



1.3. Changes to the IFRS accounting principles

Impact of IFRS standards and IFRIC interpretations applicable from January 1, 2021

Impact of the new standards applicable to the Group from January 1, 2021 are presented below.

STANDARD		APPLICATION DATE ⁽¹⁾	IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GAUMONT GROUP
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest rate benchmark reform	01.01.2021	No significant impact on the consolidated financial statements
Amendments to IFRS 4	Insurance contracts – deferral of IFRS 9	01.01.2021	Not applicable
Amendments to IFRS 16	Covid-19 – related rent concessions	01.04.2021	No impact

(1) Unless otherwise specified, applicable to reporting periods beginning on or after the date indicated (date of IASB application).

IFRS-IC INTERPRETATION REGARDING IAS 19 - EMPLOYEE BENEFITS

In June 2021, the IAS Board validated the position taken by the IFRS IC proposing to modify the method of calculating commitments relating to certain defined benefit plans. By virtue of its new position, the IFRS IC considers that when no rights are acquired in the event of departure before retirement age and the rights are capped after a certain number of years of service, the related commitments must be calculated retroactively from the final year. Gaumont has complied with this new position in the calculation of provisions for retirement benefits, presented in Note 8.3. As a

reminder, the former method applied by Gaumont was a straight-line projection of the rights acquired by the employee at their predicted retirement date.

For the first-time adoption of the IFRS IC position, the transition method applied is the retrospective method. Its impact net of deferred taxes on previous fiscal years amounted to €41 and is presented in retained earnings within the consolidated equity at the beginning of the period.

Expected impact of texts adopted by the European Union and not yet compulsory as of December 31, 2021

STANDARD		APPLICATION DATE ⁽¹⁾	IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GAUMONT GROUP
Annual improvements	2018-2020 cycle	01.01.2022	No significant impact on the consolidated financial statements
IFRS 17	Insurance contracts	01.01.2023	Not applicable
Amendments to IAS 8	Definition of accounting estimates	01.01.2023	No significant impact on the consolidated financial statements
Amendments to IAS 1	Disclosure requirements in general principles	01.01.2023	No significant impact on the consolidated financial statements

(1) Unless otherwise specified, applicable to reporting periods beginning on or after the date indicated (date of IASB application).

Gaumont does not expect any material impact from the application of other standards or interpretations adopted and not yet compulsory.



Consequences for the Group of standards, amendments and interpretations published by the IASB but not yet adopted by the European Union as of December 31, 2021

STANDARD		APPLICATION DATE ⁽¹⁾	IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GAUMONT GROUP
Amendments to IAS 1	Classification of liabilities as current or non-current	01.01.2023	No significant impact on the consolidated financial statements
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	01.01.2023	No significant impact on the consolidated financial statements
Amendments to IFRS 17 and IFRS 9	Initial application of IFRS 17 and IFRS 9 - Comparative information	01.01.2023	No significant impact on the consolidated financial statements

(1) Unless otherwise specified, applicable to reporting periods beginning on or after the date indicated (date of IASB application).

Gaumont has decided to not use the option proposed by the European Commission for early application of some standards or interpretations not yet adopted.

1.4. Measurement and presentation of the consolidated financial statements

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared according to the historical cost principle. Moreover, some of the IFRS standards may provide for other measurement principles applicable to specific categories of assets and liabilities. Measurement principle used for each category of assets and liabilities are described in the corresponding notes.

Use of estimates

When preparing the consolidated financial statements, Group Management made estimates relying on assumptions that could have an impact on the value of assets and liabilities at the reporting date and on income and expenses for the period. The estimates are based on past experience and other factors deemed to be reasonable in view of the circumstances. They form a basis for determining accounting values of assets and liabilities which cannot be directly obtained from other sources. These estimates are re-examined on an ongoing basis. However, the final amounts appearing in Gaumont's future consolidated financial statements may differ from the amounts currently estimated.

Using of estimations concerns, in particular, measurement of property, plant and equipment and intangible assets, accumulated amortization of films, measurement of the loss of value on financial assets, recognition of deferred tax assets, and current and non-current provisions. Specifications relating to the estimates are provided in the notes.

Foreign currency translation

FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The functional currency of foreign subsidiaries is the local currency, defined as the currency of the economic environment in which the entity operates.

The financial statements of these subsidiaries are converted into euros, the operating currency of the parent company, when being integrated into the consolidated financial statements. In accordance with IAS 21, their statement of financial position is translated into euros at the closing rate, and their income statement is translated at the average exchange rate of the period concerned. Differences resulting from the translation are recognized as translation adjustments in consolidated equity and reported to the net income when the entity ceases to be consolidated.

FOREIGN CURRENCY TRANSACTIONS

IAS 21 "Effects of changes in foreign exchange rates" defines recognition and measurement of transactions in foreign currencies. Pursuant to this standard:

- transactions denominated in foreign currencies are translated into local currency at the exchange rate on the date of the transaction;
- monetary items in the statement of financial position are remeasured at the closing rate at each reporting date and the relevant translation adjustments are recognized in the income statement;
- translation adjustments on a monetary item that is part of a net investment in a foreign entity are recognized in other comprehensive income and reclassified in net income on disposal of the net investment.



Structure of the consolidated statement of financial position

IAS 1 "Presentation of financial statements" requires current and non-current items to be split out on the statement of financial position.

The breakdown is as follows:

- current assets are those that the Group expects to realize or use in the normal operating cycle. All other assets are deemed to be non-current assets;
- current liabilities are those that the Gaumont Group expects will be paid in the normal operating cycle. All other liabilities are deemed to be non-current liabilities.

Presentation of earnings

Operating income integrates current and non-current items related to operations.

The non-current operating income represents non-recurring operations not directly related to ordinary activities.

Proceeds from the sale of films, series and the associated audiovisual rights are included in current operating income. Proceeds from the sale of other intangible assets and property, plant and equipment and goodwill impairment losses are included in other non-current operating income and expenses.

Operating income after share of net income of associates also includes the share of net income of associates involved in an activity which is similar to or an extension of the activities of fully consolidated companies.

2. Scope of consolidation

2.1. Accounting principles and methods relating to the scope of consolidation

Consolidation methods

CONTROLLED ENTITIES

An entity is a subsidiary consolidated using the fully-consolidated method when the parent company exercises direct or indirect control on the subsidiary.

In accordance with IFRS 10, there is control when the following criteria are all satisfied:

- the parent company has power over an entity;
- the parent company is exposed or has the right to variable returns depending on the performance of the entity, from its involvement with the entity;
- the parent company has the ability to use its power to affect the amount of the returns it obtains from the entity.

Power is defined as the existing rights of all types conferring on the parent company the current ability to direct the relevant activities of the entity, independently of the actual exercising of these rights. Relevant activities are those that significantly affect the entity's returns.

The parent company must present consolidated financial statements in which the assets, liabilities, equity, income, expenses and flows of the parent company and its subsidiaries are measured and recognized using uniform accounting methods as those of a single economic entity.

Subsidiaries are consolidated from the date on which the parent company obtains control. Changes to the percentage of interest in a subsidiary which do not result in the loss of control are equity transactions. When the parent company loses control of a subsidiary, the assets and liabilities of this subsidiary are derecognized from the consolidated financial statements, and the profit or loss related to the loss of control is recognized in the income for the year. If appropriate, the residual investment retained in the entity is measured at fair value on the date of loss of control.

A non-controlling interest, defined as the share in equity of a subsidiary not attributable, directly or indirectly, to the parent company must be presented separately from the equity attributable to the parent company's shareholders.



Only one parent company can control a subsidiary. In the event of collective control, no investor is deemed to have sole control of the entity, and each investor recognizes its interest in the entity using the method recommended by the applicable standard. A non-controlled entity can be classified as a joint arrangement pursuant to IFRS 11, associate or joint venture pursuant to IAS 28 revised, or a financial instrument pursuant to IFRS 9.

In accordance with IFRS 10, the companies controlled by Gaumont are consolidated. The share of net assets and net income attributable to non-controlling shareholders is shown separately as non-controlling interests on the consolidated statement of financial position and on the consolidated income statement.

ASSOCIATES AND JOINT VENTURES

In accordance with IFRS 11 and IAS 28 revised, interests held in an association or joint venture are accounted for using the equity method.

A joint venture is a business over which two or more investors have joint control and an interest in the net assets. Joint control is the contractually agreed sharing of control of the entity and exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. An associate is an entity over which the investor exercises significant influence, defined as the right to participate in financial and operating decisions without exercising control over those decisions.

The equity method consists of initially recognizing the investment at cost, then adjusting its value after the acquisition, to take into account the changes in the investor's share of the entity's net assets. Goodwill is included in the carrying amount of the investment.

The accounts used by the investor to determine its share in the net assets of the entity must be prepared using the same accounting methods as those used by the investor.

The net income of the investor includes the share of net income in the equity-accounted entity. The investor's other comprehensive income includes its share in the entity's other comprehensive income. Where appropriate, adjustments are made to the investor's share in the entity's net income, primarily to take into account depreciation and amortization of the fair value of acquired assets and liabilities and goodwill impairment losses.

If the investor's share in the losses of an equity-accounted entity exceeds its investment in that entity, the investor ceases to recognize its share in the subsequent losses. When the share is reduced to zero, the additional losses are subject to a provision in the liabilities of the financial position if the investor has contracted a legal or implied obligation to cover these losses. When the entity becomes profitable again, the investor does not resume recognition of its proportional share of profits until it has exceeded its share of unrecognized net losses.

In accordance with IAS 28, companies over which Gaumont exercises significant influence or joint control are accounted for using the equity method. Gaumont's share of the net assets of equity-accounted entities is recognized as an asset in the financial position under "Investments in associates". This share is supplemented, where applicable, by the measurement differences attributable to the assets and liabilities of the companies concerned, and the goodwill recorded at the time of the acquisition.



CONSOLIDATED FINANCIAL INFORMATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.2. Main companies included in the scope of consolidation

NAME AND LEGAL FORM	HEAD OFFICE	SIREN	% INTEREST	% CONTROL	CONSOLIDATION METHOD
Holding					
Gaumont SA	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	562 018 002	100.00		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
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 USA Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	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 Studio Z SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	562 018 002	100.00	100.00	FC
Gaumont Ltd	56, Berwick Street, London, W1F 8SW	United Kingdom	100.00	100.00	FC
Hartley Pictures Ltd	39 Long Acre, London, WC2E 9LG	United Kingdom	49.00	49.00	EM
Gaumont GmbH	Breite Str 100, Köln 50667	Germany	100.00	100.00	FC
Gaumont S.r.l.	Viale Castro Pretorio, 122, 00185 Roma	Italy	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	49-51, rue Ganneron, 75018 Paris	825 337 900	100.00	100.00	FC
Narcos Productions Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	100.00	100.00	FC
Leodoro Productions Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	100.00	100.00	FC
Usagi Productions Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	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

FC: Fully consolidated.

EM: Equity method.



2.3. Changes in scope

Accounting method of business combinations

In accordance with IFRS 3, business combinations are recognized according to the acquisition method.

The first time a controlled business is consolidated, the acquired assets and liabilities as well as contingent liabilities are measured at their fair value at the acquisition date.

Optionally for each transaction, goodwill is measured on the date of taking control, either by the difference between the acquisition price and the proportionate share of the assets, liabilities and contingent liabilities measured at fair value, or including the non-controlling interests measured at fair value. This option, known as "full goodwill" results in the recognition of goodwill on non-controlling interests.

Earnings are included in the acquisition price at fair value on the date of taking control. Subsequent adjustments to this value are recognized in goodwill, if they occur within the twelve-month measurement period, or in profit or loss beyond this date.

The direct acquisition costs are recognized in expenses for the period.

In the case of staged acquisitions resulting in taking control of the entity, the proportionate shares held prior to taking control are remeasured at fair value on the date of taking control. The impact of these revaluations is recognized in profit or loss.

Subsequent changes to the percentage of interest, while control of the acquire company is retained, constitute transactions between shareholders and have no impact on profit or loss or on goodwill. The difference between the redemption price and the proportionate share acquired (or sold) is recognized in equity.

Creation of Gaumont Studio Z SAS

In August 2021, Gaumont created Gaumont Studio Z SAS, a company intended to produce all of the audiovisual work ordered by Amazon.

Creation of Gaumont S.r.l.

Gaumont created the Italian company Gaumont S.r.l. in September 2021, whose purpose is the production and distribution of Italian audiovisual work.

Creation of the Hartley Pictures Ltd joint venture

At the end of 2021, a co-production agreement was signed between Gaumont Ltd and Moonage Pictures Ltd for the executive production of a series on behalf of a third party. As a follow-up to this agreement, a separate vehicle, named Hartley Pictures Ltd, was created for the production of the series. After analysis, joint control is proven and the partnership is a joint venture. Hartley Pictures Ltd is consolidated using the equity method at 49%.

As of December 31, 2021, the separate vehicle is legally created but not active. As a result, no impact of the equity method is presented in the consolidated financial statements.

Internal restructuring

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.

In December 2021, Gaumont Musiques SARL was dissolved without liquidation by universal transfer of assets in favor of Gaumont SA.



2.4. Goodwill

Goodwill measurement method

In accordance with IFRS 3, the Gaumont Group finalizes the analysis of the fair value of assets and liabilities acquired within a maximum of 12 months following the acquisition date.

Goodwill is allocated to the smallest identifiable group of assets or cash-generating units (CGU).

Goodwill is not amortized, but each cash-generating unit or group of CGUs individually undergoes an impairment test at each annual end of period. The impairment test is carried out by comparing the recoverable value and the carrying amount of the cash-generating unit(s) to which the goodwill was allocated.

The recoverable value of a cash-generating unit is defined as the higher of the fair value (usually the market price) less costs to sell and the value in use determined using the discounted future cash flow method.

Gaumont defines each entity acquired as a cash-generating unit. When the entities are integrated into a wider operating unit, the CGU is analyzed taking into account the synergies with that unit. As an exception, real estate and holding activities are identified as CGU's within the group due to their nature.

Key assumptions made in carrying out the impairment tests vary depending on the cash-generating unit's area of business.

For movie and audiovisual production and distribution activities, cash flows are based on three-year business plans extended to five years depending on the data available, then, depending on the location of the activities, a standardized cash flow is capitalized by applying a perpetual growth rate or a multiple of EBIT observed on the market is used to determine a theoretical residual value. Cash flows are discounted using an appropriate rate for the type of business. Assumptions retained to conduct the impairment test are described below for each individually significant goodwill.

If the carrying amounts of the cash-generating unit exceed the recoverable value, the assets of the cash-generating unit will be impaired in order to bring them into line with their recoverable value. Impairment losses are first charged against goodwill and are recognized under "Other non-current operating income and expenses".

Impairment losses on goodwill are irreversible.

Monitoring of goodwill

Goodwill resulting from business combinations is as follows:

(in thousands of euros)	12.31.21	MOVEMENTS OF THE PERIOD			12.31.20
		+	-	OTHER ⁽¹⁾	
Animation	15,794	-	-	-	15,794
Mitzé Films	856	-	-	-	856
LGM Participations	491	-	-	-	491
Gross value	17,141	-	-	-	17,141
Animation	-4,250	-	-	-	-4,250
Mitzé Films	-856	-	-	-	-856
Impairment losses	-5,106	-	-	-	-5,106
CARRYING VALUE	12,035	-	-	-	12,035

(1) Change in rate of interest, write-offs.

As an exception to the accounting principles, the goodwill relating to Gaumont Animation includes acquisition costs, in accordance with IFRS 3, applicable prior to December 31, 2009.

Goodwill is tested for impairment at each reporting date, in accordance with the provisions of IAS 36 and under the assumptions described above.



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For the most significant goodwill, the key assumptions are as follows:

CGU CATEGORY	MEASUREMENT METHOD	DISCOUNT RATE	TERMINAL VALUE	OTHER KEY ASSUMPTIONS	NET VALUE	
					12.31.21	12.31.20
Animation	Animated films and series production	DCF	10% Depending on location of activities ⁽¹⁾	Three-year budget ⁽²⁾ and going concern	11,544	11,544

(1) Depending on activity locations, the terminal value is calculated (i) by capitalizing a normative cash flow taking into account a perpetual growth rate of 1.5%, or (ii) by applying a multiple of EBIT of 15X.

(2) Budgets are based, as of the date on which they are prepared, on known firm commitments and on significant estimates relating to identified or unidentified projects, as well as on forecasts.

As of December 31, 2021, the net carrying amount of the Cash-Generating Unit (CGU) was lower than its value in use.

The sensitivity of value in use to changes in the principal assumptions is presented below, being specified that these changes would not have the effect of reducing the value in use of the CGU to a lower level than the net carrying amount.

ENTITY VALUE	DISCOUNT RATE		
	-1%	10%	+1%
EV -10%	-3,563	-6,306	-8,634
EV	3,048	-	-2,587
EV +10%	9,659	6,306	3,460

In addition, complementary sensibility tests have been carried out by significantly downgrading assumptions used to calculate the terminal value. A decrease of the multiple of EBIT from 15X to 10X combined with a decrease in the perpetual growth rate from 1,5% to 0,5% would have an impact of k€14,265 on the CGU's value in use without reducing it to a level below its net book value.

2.5. Seller warranties received

As of December 31, 2021, Gaumont no longer had any warranties given by sellers on the liabilities of acquired companies.



3. Transactions of the period

3.1. Operating segments

Definition of operating segments

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

- the production and distribution of French feature films, Gaumont's historical activity;
- 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 European dramas;
- production and distribution of French dramas and documentaries;
- production and distribution of american dramas and 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.

Segment information

2021	FRENCH MOVIE PRODUCTION AND DISTRIBUTION	AUDIOVISUAL PRODUCTION AND DISTRIBUTION	REAL ESTATE AND HOLDING BUSINESSES	INDIRECT AND UNALLOCATED COSTS	TOTAL
Revenue	65,564	194,560	4,722	1,329	266,175
Operating income from activities excluding overheads	14,238	28,932	4,195	-	47,365
Overheads and financial result	-13,538	-22,011	-	-10,819	-46,368
Income tax	-316	-61	-	420	43
NET INCOME	384	6,860	4,195	-10,399	1,040

2020	FRENCH MOVIE PRODUCTION AND DISTRIBUTION	AUDIOVISUAL PRODUCTION AND DISTRIBUTION	REAL ESTATE AND HOLDING BUSINESSES	INDIRECT AND UNALLOCATED COSTS	TOTAL
Revenue	78,046	72,553	1,784	1,567	153,950
Operating income from activities excluding overheads	24,352	7,954	525	-	32,831
Overheads and financial result	-8,354	-32,747	-	-7,630	-48,731
Income tax	-276	-36	-	-561	-873
NET INCOME	15,722	-24,829	525	-8,191	-16,773



CONSOLIDATED FINANCIAL INFORMATION

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Information by region

REVENUE

At December 31, 2021, revenue broken down per region by reference to the company that contributes to it is as follows:

	2021	2020
French companies	109,629	101,760
European companies	24,082	8,928
American companies	132,464	43,262
TOTAL	266,175	153,950

Revenue below is broken down by clientele commercialization zone:

	2021	2020
France	56,598	70,510
• Europe	37,806	19,096
• Americas	169,366	61,571
• Asia/Russia	1,773	2,098
• Africa/Middle East	372	336
• Rest of the world	260	339
International	209,577	83,440
TOTAL	266,175	153,950

NON-CURRENT ASSETS

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

The geographical distribution of non-current assets was as follows:

	12.31.21			12.31.20			TOTAL	
	FRANCE	EUROPE	AMERICAS	TOTAL	FRANCE	EUROPE	AMERICAS	
Goodwill	12,035	-	-	12,035	12,035	-	-	12,035
Films and audiovisual rights	96,050	218	31,651	127,919	92,974	672	64,698	158,344
Other intangible assets	155	2	-	157	160	6	-	166
Property, plant and equipment	66,442	1,140	6,771	74,353	65,152	1,256	8,481	74,889
Other financial assets	134	32	-	166	167	-	-	167
TOTAL NON-CURRENT ASSETS	174,816	1,392	38,422	214,630	170,488	1,934	73,179	245,601

Information about the Group's major customers

The Group's top ten customers together accounted for 79% of the Group's consolidated revenue. The breakdown between customers varies significantly from one year to the next.

In 2021, sales to Netflix and to Amazon accounted respectively for 47% and 17% of consolidated revenue. No other single customer contributed more than 10% of the Group's consolidated revenue.



3.2. Revenue

Recognition of revenue

Revenue is recognized in accordance to IFRS 15. According to this standard, revenue is recognized separately depending on the nature of Gaumont's performance obligations and the rate at which they are satisfied. When a contract includes several performance obligations, each one is treated separately. Three types of revenue are identified as components of Gaumont's revenue: license sales, royalties and service provision.

Revenue recognized in the income statement is representative of the transactions carried out by Gaumont on its own behalf. When Gaumont acts as agent, the sale proceeds are recognized in the statement of financial position as a liability to the principal and Gaumont's revenue consists solely of the commission received as consideration for the service.

LICENSING AGREEMENTS

Sales of broadcasting or distribution rights attached to Gaumont's works based on a lump sum or a guaranteed minimum are analyzed under IFRS 15 as licensing agreements giving rise to a right to use the works as they exist at the date of the sale. This revenue is recognized once Gaumont's performance obligations are satisfied and control over the use of the rights is effectively transferred to the customer, *i.e.* when all of the following events have occurred:

- the agreement defining the terms and conditions of the sale of rights is signed by all of the parties and enforceable;
- Gaumont's obligations have been fulfilled *i.e.* delivery has been made at end of period and the material's compliance has been acknowledged by the customer before the reporting date;
- the customer has unrestricted use of the rights acquired.

Where a contract provides for multiple deliveries or where the sale relates to several separate works (or episodes), the price is allocated between the works and the revenues are recognized separately for each work.

ROYALTIES

The royalties Gaumont earns from the exploitation of its works by third parties particularly in movie theaters or on video, as well as the producer's share of proceeds, are recognized when the sale is effectively completed, in accordance with the exception envisaged by IFRS 15.B63 for proportional income derived from intellectual property licenses. These royalties are recognized on receipt of the royalty statements issued by the distributor or the producer in charge of royalties management. Royalties are recognized net of distribution fees that may be charged to Gaumont and for video sales, net of estimated refunds.

When contracts include both a fixed fee component and variable revenue, each component is measured and recognized separately according to the principles described above.

SERVICE PROVISION

Where Gaumont is commissioned to produce a work by a broadcaster and retains no intellectual property rights attached to that work, the service rendered gives rise to revenue recognition on a percentage of completion basis, provided that there is an enforceable right to payment for the service already performed and control over the work is gradually transferred to the customer.

When Gaumont acts as agent, the service is considered to be performed over the term of the contract. The commission is recognized as the sales are made.

DETERMINATION OF THE TRANSACTION PRICE

The transaction price is determined by reference to the consideration expected from the contract, whether cash or non-cash. Variable items are also included from the outset in the transaction price, except for royalties, which are recognized according to the principles described above. Fair value of the transaction is considered equal to the agreed consideration, unless the agreement includes a financing component.

When the contract provides for payment terms similar to financing granted to the purchaser, the transaction price takes this component into account if it is material. The revenue is determined by discounting the future cash flows using an imputed interest rate. This rate is determined for each transaction by referring to the prevailing rate that would be obtained by the third party from a credit institution to finance a similar transaction.



Revenue for the period

	2021			2020		
	FRANCE	ABROAD	TOTAL	FRANCE	ABROAD	TOTAL
French movie production and distribution	42,800	22,764	65,564	64,296	13,750	78,046
Movie theater distribution	17,097	-	17,097	7,351	-	7,351
Video publishing and video on demand	10,677	6,271	16,948	20,834	-	20,834
Television broadcasting rights	12,122	-	12,122	31,757	-	31,757
International sales	-	15,768	15,768	-	12,919	12,919
Other movie distribution income	2,904	725	3,629	4,354	831	5,185
Audiovisual production and distribution	8,225	186,335	194,560	3,367	69,186	72,553
Distribution of American dramas	171	97,874	98,045	787	28,310	29,097
Distribution of French dramas	6,478	1,111	7,589	1,753	363	2,116
Distribution of European dramas	-	3,101	3,101	-	1,807	1,807
Distribution of animated films and series	1,420	25,048	26,468	827	10,036	10,863
Drama production	-	49,367	49,367	-	24,624	24,624
Animated series production	156	9,834	9,990	-	4,046	4,046
Real estate and holding businesses	4,247	475	4,722	1,294	490	1,784
Other miscellaneous revenue	1,326	3	1,329	1,553	14	1,567
TOTAL	56,598	209,577	266,175	70,510	83,440	153,950

In 2021, feature film production and distribution and television series production and distribution accounted for 25% and 73% of consolidated revenue, respectively.

French movie theaters remained closed to the public for 20 weeks in 2021, compared to 23 weeks in 2020. Between the reopening in May 2021 and the end of the year, movie theater attendance was affected by the introduction of maximum audience numbers and curfews until June 30, then by the requirement for spectators to hold a health or vaccination pass.

Sales of physical video media are up compared to 2020, which was marked by the closure of physical stores during lockdowns. The lockdowns and curfews in 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. This effect was not repeated in 2021.

In addition, 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 also not repeated in 2021. Receipts from export sales were up mainly due to the sale of remake rights.

The 2021 delivery of *Narcos Mexico - Season 3*, initially planned for 2020, led to a sharp increase in US drama distribution revenue for the period.

The Group generated 79% of its revenue outside France in 2021, compared with 54% in 2020.

Rents received from the leasing of right of use assets classified as investment properties amounted to k€2,840 at December 31, 2021 and are included in real estate and holding activities. The rent collected as of December 31, 2021 for right-of-use assets classified as investment properties stood at k€475 and are also included in the real estate and holding businesses.



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3.3. Personnel expenses

Breakdown of personnel costs

Personnel expenses include all fixed and variable compensation, employee benefit and share-based payments issued for Gaumont personnel or executive officers.

	2021	2020
Salaries	-33,650	-31,966
Social security contributions	-12,016	-9,307
Employee profit-sharing	-12	-12
Pensions and similar benefits	-155	258
Share based payments expense	-	-
TOTAL	-45,833	-41,027

Compensation includes k€10,788 in salaries paid to contract workers employed in the production to order of films and series as of December 31, 2021, compared with k€8,370 as of December 31, 2020. Related social security contributions totaled k€4,719 as of December 31, 2021, versus k€3,271 as of December 31, 2020.

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

Average workforce broken down by category

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

	2021	2020
Managers	126	124
Supervisors	46	50
Employees	64	68
TOTAL WORKFORCE	236	242

Compensation of corporate officers

Executive officers as defined by IAS 24 only include individuals who are or were during the year members of the Board of directors or the Executive management.

The gross salaries and benefits prior to social security and tax deductions allocated by Gaumont with respect to the position of corporate officer broke down as follows:

	2021	2020
Total gross compensation ⁽¹⁾	1,650	1,641
Post-employment benefits ⁽²⁾	-	-
Termination or end of contract benefits	-	-
Other long term benefits	-	-

(1) Salaries, bonuses, indemnities, directors' fees and benefits in kind allocated to corporate officers and payable for the year.

(2) Current service cost.

No compensation or directors' fees were paid to corporate officers by the controlled or controlling companies within the meaning of article L. 233-16 of the French Commercial code.

Corporate officers did not benefit from any golden hello, golden handshake or supplementary pension plan.

Commitments related to employees

Gaumont is engaged toward certain of the American employees within the framework of fixed-term employment contracts. These commitments amounted to k€7,239 as of December 31, 2021, versus k€7,594 as of December 31, 2020.



CONSOLIDATED FINANCIAL INFORMATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.4. Other current operating income and expenses

Other income and expenses by type

	2021	2020
Automatic financial support	11,165	6,153
Other subsidies	3,075	2,001
Audiovisual and cinema tax credit	9,105	9,146
Distribution costs and other purchases	-11,242	-7,944
Project development	-3,954	-4,115
Inventoried products	9	-49
Subcontracting	-9,957	2,940
Rentals and rental expenses	-3,665	-3,688
Outside personnel	-4,111	1,778
Fees	-7,540	-6,730
Advertising, publications and public relations	-1,027	-1,102
Travel and entertainment expenses	-2,503	-1,790
Other external expenses	-4,149	-3,382
Taxes and similar payments	-1,920	-2,255
Foreign exchange gains and losses on operating activities	214	-876
Copyrights, royalties and similar	-12,284	-10,292
Shares of co-producers and guaranteed minima	-9,916	-12,385
Income from the sale of operating assets	-	-29
Other income and expenses	-12,718	-160
NET OTHER CURRENT OPERATING INCOME/EXPENSES	-61,418	-42,215

Public grants

FINANCIAL SUPPORT FOR THE FILM INDUSTRY AND AUDIOVISUAL INDUSTRY

Films generate financial support on account of their commercial distribution in movie theaters, their broadcasting on television and their video distribution. The financial support for film production, distribution, exportation and video publishing is recognized in tandem with the revenue of the films that generate the support. It is recognized under assets on the statement of financial position in "Other receivables", offset by an operating income account. The support fund invested in the production of new films is charged against "Other receivables."

The support fund for the audiovisual program industry (COSIP) follows the same rule. Financial support for the production of audiovisual works is recognized as the series and dramas that generate the support are broadcast.

The automatic financial support includes k€6,840 of financial support for feature film production, distribution, and export and k€3,651 of support for audiovisual production. This item also includes k€673 of grants for digitization of works.

OTHER SUBSIDIES

Subsidies received, insofar as they are definitively vested, are recognized in income from the date of the first release in movie theaters of the relevant films, and, for television productions, from the date of delivery and acceptance of series and dramas by the principal television broadcaster.

In France, other subsidies includes k€268 in aid received from the solidarity funding plan set up by the French government due to health crisis.

AUDIOVISUAL AND CINEMA TAX CREDIT

The tax credit granted to production companies is recognized in the consolidated financial statements in current operating income. It is recognized in income, from the first screening of films in theaters or from the date of delivery and acceptance of the broadcasting material in the case of dramas and cartoons, on a *prorata* basis of the accumulated amortization of the work which it helped finance.

In 2021, this item included k€2,241 related to American series, k€208 for feature film production and k€6,656 for French television production. The amount of tax credits recognized on a deferred basis is posted to liabilities in the statement of financial position.

Tax credits, like financial support and operating subsidies, are collected by Gaumont and its subsidiaries as part of their activity of producing and distributing works. Their amount varies based on the production number, the shooting location, and for the film production support fund, the success of movies in theaters.

Operating expenses

The operating costs incurred by the investment properties over the period were k€232 and include costs for securing the premises, energy costs, taxes and miscellaneous professional fees.

Operating expenses incurred during the period for right-of-use assets classified as investment properties are not material.

Leases have been analyzed with regard to IFRS 16. Expenses meeting the definition of leases were broken down on liabilities as lease liabilities subject to interest charges, and, on assets, as right of use subject to amortization. Residual expenses correspond to contracts excluded from the scope of the standard owing to their duration or the absence of a commitment towards the lessor, in particular in the case of productions.



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Shares of co-producers and minimum guarantees represent amounts due to co-producers and other partners of a film or series. This item is dependent on the method of financing and the success of the movies and series delivered during the year.

3.5. Other non-current operating income and expenses

	2021	2020
Proceeds from disposals of assets	1,712	-
Carrying amount of assets sold or disposed of	-250	-58
Gains from disposals of investments in consolidated companies	-	-
Earn out adjustments	-	-
Impairment losses on goodwill	-	-
Gains on bargain purchases	-	-
OTHER NON-CURRENT OPERATING INCOME AND EXPENSES	1,462	-58

Proceeds for disposals of assets and their related net book value mainly include the disposal of a property located in Paris region.

3.6. Other financial income and expenses

	2021	2020
Income from investments	-	-
Interest expense capitalized	3,495	2,612
Interest from assets and liabilities excluding cash equivalents	1,339	2,592
Discounting effect of liabilities and receivables	72	129
Proceeds from disposals of financial assets	-	-
Accumulated impairment losses and financial provisions	-1	-1
Foreign exchange gains and losses	-297	-1,070
Changes in fair value	-625	292
Other financial income and expenses	90	-26
OTHER NET FINANCIAL INCOME/EXPENSES	4,073	4,528

Capitalized interest expenses concern movie and television series productions. They rise and fall in line with the productions each year.

The interest collected includes the financial component of the sales agreements with payment conditions over one year, that may vary depending on the amounts collected in the period.

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.

4. Long-term assets and investments

4.1. Films and audiovisual rights

Principles of recognition of audiovisual rights

PRELIMINARY COSTS

Preliminary costs represent the expenses, such as searches for themes, talents and locations required to develop projects, incurred prior to the decision to make the film. These costs are recognized as an expense in the year in which they are incurred.

VALUATION OF FILMS AND AUDIOVISUAL RIGHTS

Films and audiovisual rights include:

- the production costs of works of which the Gaumont Group is executive producer, intended to be marketed in France or abroad through all audiovisual media;
- French or foreign co-production investments;
- the acquisition value of rights allowing distribution of an audiovisual work;
- the restoration and digitization costs incurred to enable long-term use of works.

The gross value reported as an asset in the financial position primarily includes:

- the production costs of feature films and television programs, net of contributions from co-producers, when the Group has been involved as executive and line producer;
- the amounts invested as lump-sum contributions, when the Group was involved in the production as co-producer;
- the amount of the non-refundable advances paid to the executive producer when the Group was involved as a distributor;
- the acquisition cost of rights when the Group was not involved in the production of the work.

Capitalized cost of works produced includes interest expenses incurred during the production period as well as a portion of overheads that are directly attributable to the production.



AMORTIZATION OF FILMS AND AUDIOVISUAL RIGHTS

Films and audiovisual rights are intangible assets with a fixed useful life. The future economic advantages that Gaumont obtains in consideration for the use of these assets largely depends on the success of these works with the public upon the first screening and the artistic characteristics of each work, essential to its commercial potential.

During the screening of films and television programs over time, the income received for license renewals and royalties indicate the public's continued interest or the progressive disinterest in the work, and are directly representative of the expected future economic advantages of the asset.

The proceeds for a period being accordingly directly associated with the progressive consumption of economic advantages associated with these assets, Gaumont deems that the cost-unit amortization, based on the ratio of *net proceeds acquired in the year to total net proceeds*, is the most appropriate method, in accordance with professional practices and regulations in force.

In order to take into account the release of works and the erosion of the demand, total net proceeds include Gaumont's share of net proceeds received for the year and estimated net proceeds, over a maximum period of ten years from release date. Management reviews the estimated net proceeds regularly and adjusts them, if need be, taking into account operating profits, new contracts signed or planned and the audiovisual environment at the reporting date. These adjustments may result in additional amortization to cover the insufficient revenue when the carrying amount of the asset exceeds the revised estimated net proceeds.

For feature films that experience great success with the public when they are released in movie theaters, Gaumont examines the artistic characteristics of the work in order to determine if the film is likely to produce future economic advantages beyond ten years. If applicable, a residual value is allocated to the film concerned. Pursuant to the provisions of IAS 36, the justification for the recoverability of this residual value is reviewed at each end of period.

IMPAIRMENT OF ASSETS

If there is an indication of impairment, the Group estimates the recoverable amount of the asset defined as the higher of the fair value, less cost of disposal, and the value in use. The value in use is determined by discounting the future cash flows expected from using the asset and from its sale.

In the event that the carrying amount of the asset exceeds its recoverable value, an impairment loss is recognized to bring the carrying amount down to the recoverable value. Impairment losses may be subsequently reversed up to the amount of the initial impairment loss where the net recoverable value becomes higher than the net carrying amount.

ONGOING PRODUCTIONS

Ongoing productions represent all direct costs and financial expenses incurred to produce a film or a series and include a share of overheads directly attributable to the production. Production costs are transferred from the "Ongoing productions" item to the final asset account once the production is complete and available for release.

An impairment loss may be recognized for ongoing productions where the budget initially provided for has significantly overrun or where, for films marketed between the end of period and the reporting date, the estimate of future proceeds is below the value of the investment.

OTHER RIGHTS

Musical rights are amortized by type:

- musical productions are eligible for the special amortization scheme, whose duration varies depending on the type of work: two years for pop music, three years for classical music productions;
- music publishing rights acquired are amortized on a straight-line basis over five years.



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Change in audiovisual rights

	12.31.21	MOVEMENTS OF THE PERIOD			12.31.20
		+	-	OTHER ⁽¹⁾	
Films and cinema rights	1,999,280	16,711	-	13,508	1,969,061
Television series, dramas and broadcasting rights	632,860	-	-	123,717	509,143
Animated films and series	276,800	1,649	-	38,546	236,605
Musical productions and publishing rights	2,942	-	-	-	2,942
Video games	1,525	-	-	-	1,525
Movies in production	32,750	22,176	-	-13,508	24,082
Television series and dramas in production	21,903	54,099	-38	-82,127	49,969
Animated films and series in production	14,363	20,592	-	-32,531	26,302
Gross value	2,982,423	115,227	-38	47,605	2,819,629
Films and cinema rights	-1,945,150	-33,393	-	-	-1,911,757
Television series, dramas and broadcasting rights	-629,718	-83,782	-	-38,990	-506,946
Animated films and series	-271,660	-32,869	-	-4,739	-234,052
Musical productions and publishing rights	-2,941	-14	-	-	-2,927
Video games	-1,525	-	-	-	-1,525
Movies in production	-3,400	-1,900	1,650	-	-3,150
Television series and dramas in production	-110	-	-	-	-110
Animated films and series in production	-	-	818	-	-818
Accumulated amortization and impairment losses	-2,854,504	-151,958	2,468	-43,729	-2,661,285
NET VALUE	127,919	-36,731	2,430	3,876	158,344

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

The periodic review of revenue estimates did not reveal significant changes compared to December 31, 2020.

Films released in theaters between the reporting date and approval by the board can be subject to impairment when the expected net proceeds are lower than investments. Impairment losses are reversed when the film is released and the corresponding amount is included in the amortization for the year.

At the end of the period, the values of feature films in progress and feature films completed but not yet released in movie theaters were estimated by Management. In particular, the expected future margins were tested for the 2022 releases with the assumption of a reduction of 10% in the projected box-office sales. Any negative margins resulting from this approach gave rise to impairment.

Feature films in progress and completed but not yet released have been subject to an impairment totaling k€4,850, which comprise for k€400, the impact of the reduction of 10% in the projected box-office sales.

The assumption of the number of box-office sales in movie theaters was made against the background of many uncertainties related in particular to the behavior of the public and the potential for new restrictions due to a new epidemic wave. The fact that this is an unprecedented situation means that it is impossible to reasonably mitigate these uncertainties, either upwards or downwards. As a result, additional sensitivity calculations were conducted to model the level of the impairment based on various assumptions for the projected number of tickets sold, with an identical process for all films in progress or not yet released in movie theaters. A theoretical additional decrease of 10% in movie theater box-office sales would result in an additional impairment of k€500. Conversely, with forecasts increased by 20%, no impairment would be necessary.

Other changes include k€47,605 in foreign exchange gains and losses on the gross values of American series and -k€43,729 on the amortization of these series.



Commitments related to the production and distribution of audiovisual works

	12.31.21	12.31.20
Commitments given	114,213	153,264
Development and production of films and series	35,067	76,816
Fulfilment of order contract	79,145	76,448
Guarantees given for film and series productions	-	900
Commitments received	191,912	246,172
Purchases of rights and financing of projects and productions	102,126	155,954
Fulfilment of order contract	89,786	90,219

As of December 31, 2021, Gaumont and its subsidiaries had committed to invest k€114,213 in film and series production and project development. At the same time, the Group had received commitments for the purchase of rights and contributions by co-producers for films and series totaling k€191,912, in addition to the amounts reported in receivables.

The revenue backlog from contracts with customers is presented below.

For license sales, expiration date corresponds to the rights opening date. For line production recognized upon completion, it is representative of the expected production schedule.

	MATURITIES			TOTAL
	2022	2023	2024 AND BEYOND	
French movie production and distribution	27,171	9,668	2,980	39,819
Audiovisual production and distribution	55,540	6,752	-	62,292
Line production	66,840	22,946	-	89,786
TOTAL	149,551	39,366	2,980	191,897

4.2. Other intangible assets

	MOVEMENTS OF THE PERIOD			
	12.31.21	+	-	OTHER ⁽¹⁾
Franchises, patents, licenses, brands and software	2,643	44	-	-
Other intangible assets	-	-	-	-
Other intangible assets in progress	-	-	-	-
Advances and prepayments to suppliers	-	-	-	-
Gross value	2,643	44	-	2,599
Franchises, patents, licenses, brands and software	-2,486	-53	-	-2,433
Other intangible assets	-	-	-	-
Accumulated amortization and impairment losses	-2,486	-53	-	-2,433
NET VALUE	157	-9	-	166

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

Other intangible assets primarily consist of software, amortized over the duration of the license.

4.3. Property, plant and equipment

Principles and methods of measurement of property, plant and equipment

MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment include all identifiable physical assets controlled by Gaumont that generate future economic benefits. Property, plant and equipment are recorded as assets in the financial position starting from the date Gaumont acquires control and is assured that it will receive virtually all of the future economic benefits that it could generate.

The gross value of property, plant and equipment consists of purchase price net of potential discounts, and also includes all incidental expenses related to the acquisition and all costs directly related to startup.

As an exception, in 2004 and as part of the first application of IFRS, the Group opted to measure certain land and buildings located in the 8th Arrondissement of Paris and in Neuilly-sur-Seine at their fair value.

The borrowing costs incurred to purchase, build or manufacture eligible property, plant or equipment are included in the gross value of the assets until the asset's startup date.



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DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are amortized over their useful life. When property, plant or equipment has distinct components with their own use, each element is recognized separately and amortized over its own useful life.

The depreciable amount includes the acquisition cost less any potential residual value allocated to each asset. Residual value is allocated to assets when Gaumont intends to sell the asset concerned after its useful life and the asset has a measurable market value. Residual value comprises the resale value net of selling costs.

Amortization methods and periods generally used for property, plant and equipment are as follows:

FIXED ASSETS	COMPONENT	DEPRECIATION AND AMORTIZATION METHOD	DEPRECIATION AND AMORTIZATION PERIOD
Property	Structural works	Straight-line	40 years
Property	Facade	Straight-line	30 years
Property	Roofing and exterior fixtures and fittings	Straight-line	20 to 25 years
Property	Plant and equipment	Straight-line	10 to 15 years
Property	Interior fixtures and fittings	Straight-line	5 to 10 years
Movable property	Passenger vehicles	Straight-line	4 years
Movable property	Furniture and equipment	Straight-line	3 to 5 years

A different method and depreciation and amortization period may be used for certain assets depending on the actual consumption of related economic benefits.

Items purchased for a fee and added to the Collection Gaumont inventory are recorded under Gaumont assets when their acquisition cost is individually significant. They are considered collection pieces with an indefinite useful life and are not amortized.

When the use of property, plant or equipment changes, the depreciation and amortization method may change if the prior amortization schedule no longer suits the new consumption method for the asset's expected economic benefits. Revisions to the depreciation and amortization schedule are prospective and calculated based on the asset's net carrying amount at the beginning of the period.

RIGHT-OF-USE ASSETS ARISING FROM LEASED PROPERTIES

Whenever a rental agreement affects an identifiable asset and Gaumont has the right to obtain future economic benefits and to control its use, the agreement is covered by IFRS 16. The right of use related to this rental contract results in the recognition of an asset representing the right for the lessee to use the underlying property for the duration defined in the agreement.

After the non-cancelable period, the assessment of the duration of the rental must take into account the optional periods in which one can reasonably estimate that they will extend the duration of the lease. In the event of a change in circumstances affecting the reasonable certainty of exercising an option not taken into account when the duration of the rental was determined, the amount of the right of use must be revised.

On the lease start date, the right of use is measured at its cost and includes:

- the initial value of the lease liability corresponding to the discounted value of the remaining payments owed to the lessor as outlined in note 6.2.;
- payments made to or received by the lessor before the start of the contract;
- initial costs corresponding to marginal costs not incurred if the lease had not been concluded;
- an estimate of the costs that will have to be paid at the end of the contract.

Gaumont has decided to use the simplification measures called for by the standard and not to restate any leases for which the underlying asset has a value in use below k\$5 or those of which the reasonably certain duration is less than twelve months.

DEPRECIATION AND AMORTIZATION OF RIGHT-OF-USE ASSETS ARISING FROM LEASED PROPERTIES

Depreciation and amortization is calculated over the expected useful life, using a method consistent with the one applied to the Group's wholly-owned assets. This useful life corresponds to the shortest duration between the remaining period of use of the underlying property and the remaining period of the lease. The amortization method must reflect the pace of use of the future economic benefits of the asset.

IMPAIRMENT OF ASSETS

If there is an indication of impairment, the Group estimates the recoverable amount of the asset defined as the higher of the fair value, less cost of disposal, and the value in use. The value in use is determined by discounting the future cash flows expected from using the asset and from its sale.

In the event that the carrying amount of the asset exceeds its recoverable value, an impairment loss is recognized to bring the carrying amount down to the recoverable value. Impairment losses may be subsequently reversed up to the amount of the initial impairment loss where the net recoverable value becomes higher than the net carrying amount.

INVESTMENT PROPERTIES

Buildings owned or held under leases and leased to third parties not exercising an activity in keeping with those of Gaumont and its subsidiaries are qualified as investment properties.

IAS 40 – Investment Property applies both to owned property and right-of-use assets, provided these are leased to third parties and generate cash flows largely independently of the other assets. The standard also applies to vacant property held to be leased.



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In application of the options offered by IAS 40, the method used for the measurement of the investment properties is the cost model. The provisions of IAS 16 are thus applicable to investment properties and the depreciation and amortization methods used for the investment properties are identical to those used for properties actually occupied.

Except in rare cases rendering this measurement impossible, the fair value of the investment properties is subject to a periodic assessment by an independent surveyor exercising his activity in the geographic area in which the building is located.

Change in property, plant and equipment

	MOVEMENTS OF THE PERIOD				
	12.31.21	+	-	OTHER ⁽¹⁾	12.31.20
Land	9,813	-	-248	-	10,061
Buildings and fittings	25,056	115	-1,107	67	25,981
Plant, equipment and machinery	1,473	13	-	80	1,380
Other property, plant and equipment	9,947	415	-7	271	9,268
Investment properties	54,668	4,207	-	-	50,461
Right-of-use assets classified as investment properties	3,467	-	-	267	3,200
Right-of-use assets arising from leased properties	15,108	252	-3,724	-443	19,023
Property, plant and equipment in progress	64	213	-25	-302	178
Gross value	119,596	5,215	-5,111	-60	119,552
Land	-	-	-	-	-
Buildings and fittings	-18,400	-697	1,148	-32	-18,819
Plant, equipment and machinery	-1,298	-46	-	-	-1,252
Other property, plant and equipment	-6,847	-791	6	-36	-6,026
Investment properties	-9,433	-846	-	-	-8,587
Right-of-use assets classified as investment properties	-2,932	-415	-	-199	-2,318
Right-of-use assets arising from leased properties	-6,333	-2,187	3,724	-209	-7,661
Accumulated amortization and impairment losses	-45,243	-4,982	4,878	-476	-44,663
NET VALUE	74,353	233	-233	-536	74,889

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

The fair value of investment properties measured in accordance with IFRS 16 is deemed to be equivalent to the carrying amount of the right-of-use asset.

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 amounted to k €169,500 at December 31, 2021.

Rental income and operating expenses related to right of use assets classified as investment properties are presented respectively in notes 3.2. and 3.4.

Real estate commitments

	12.31.21	12.31.20
Commitments given	890	5,123
Guarantees	-	-
Real estate investments	890	5,123
Commitments received	62,150	67,714
Guarantees received	2,785	5,088
Real estate rental contracts	59,365	62,626

As of December 31, 2021, Gaumont benefited from lease commitments under leases agreed totaling k€59,365.

Gaumont still has commitments in the context of the Ambassade development project totaling k€890, and has a guarantee of k€1,867 from the tenant.



4.4. Other financial assets

Measurement of non-current financial assets

INVESTMENTS IN NON-CONSOLIDATED COMPANIES

Investments in non-consolidated companies represent the Group's interest in the share capital of non-consolidated companies.

Investments are analyzed as being available for sale and are therefore recognized at their fair value. For listed securities, this fair value corresponds to the stock market price. If the fair value cannot be reliably determined, the securities are recognized at historical purchase cost. Changes in fair value are recognized directly in equity.

If there is an objective indication that a financial asset may be impaired, and in particular if there is a significant or permanent decrease in the asset's value, an impairment loss is recognized in the income statement. This loss will be reversed in the income statement only when the securities are sold.

LOANS TO ASSOCIATES, OTHER LOANS, DEPOSITS AND GUARANTEES

These financial assets are measured at amortized cost. Their carrying amount in the statement of financial position includes the outstanding share capital and the unamortized share of purchase costs.

An impairment loss may be recognized if there is an objective indication of negative value change. The impairment representing the difference between the net carrying amount and recoverable value is recognized as an expense and is reversible when there is an improvement in recoverable value.

Change in non-current financial assets

	12.31.21	MOVEMENTS OF THE PERIOD			12.31.20
		+	-	OTHER ⁽¹⁾	
Investments in non-consolidated entities	3	-	-	-	3
Loans, deposits and bonds and other non-controlling financial assets	163	21	-1	-21	164
Receivables and other non-current financial assets	-	-	-	-	-
Gross value	166	21	-1	-21	167
Investments in non-consolidated entities	-	-	-	-	-
Loans, deposits and bonds and other non-controlling financial assets	-	-	-	-	-
Receivables and other non-current financial assets	-	-	-	-	-
Impairment losses	-	-	-	-	-
NET VALUE	166	21	-1	-21	167

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

Uninvested cash assigned to the Group's liquidity contract is unavailable and is therefore reported under other non-controlling financial assets.

The investments in non-consolidated entities are not material in relation to the Group's assets, financial position and results. They consist of companies where the Group has less than a 10% stake.



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4.5. Impact of investments on the statement of cash flows

Analysis of net allowance to depreciation, amortization, impairment and provisions of non-current assets

	2021	2020
Intangible assets		
• Reversals of impairment losses	2,468	4,544
• Allowances for depreciation, amortization and impairments	-152,011	-78,915
Subtotal	-149,543	-74,371
Property, plant and equipment		
• Reversals of impairment losses	43	-
• Allowances for depreciation, amortization and impairments	-4,982	-4,739
Subtotal	-4,939	-4,739
Current assets		
• Reversals of impairment losses	797	921
• Impairment allowances	-564	-935
Subtotal	233	-14
Risks and rewards		
• Reversals of provisions	156	365
• Provision allowances	-809	-4,971
Subtotal	-653	-4,606
TOTAL	-154,902	-83,730

In 2021, amortization expense on intangible assets included k€79,391 for amortization of American series, against k€32,807 in 2020.

Change in liabilities and receivables on investments

	12.31.21	CHANGE IN LIABILITIES ON INVESTMENTS		12.31.20	CHANGE IN LIABILITIES ON INVESTMENTS		12.31.19
		OTHER VARIATIONS ⁽¹⁾	OTHER VARIATIONS ⁽¹⁾		OTHER VARIATIONS ⁽¹⁾	OTHER VARIATIONS ⁽¹⁾	
Fixed assets liabilities	11,236	2,327	285	8,624	-3,599	-137	12,360
Liabilities on acquisition of shares	-	-	-	-	-6,974	-124	7,098
Receivables on acquisition and disposal of equity investments	-	-	-	-	64,076	-	-64,076
TOTAL	11,236	2,327	285	8,624	53,503	-261	-44,618

(1) Changes in scope, fluctuations in foreign exchange rates and transfers between items.



5. Current assets and liabilities

5.1. Inventories

Inventories are assessed at the lower of the purchase cost of the inventory or the net recoverable value.

An impairment loss is recognized if the market value becomes less than the carrying amount.

	MOVEMENTS OF THE PERIOD			
	12.31.21	+	-	12.31.20
Semi-manufactured product inventories	87	32	-	55
Merchandise inventories	943	-	-145	1,088
Gross value	1,030	32	-145	1,143
Semi-manufactured product inventories	-34	-34	39	-39
Merchandise inventories	-530	-530	748	-748
Impairment losses	-564	-564	787	-787
NET VALUE	466	-532	642	356

5.2. Trade receivables and other current assets

Measurement of receivables and other current assets

Receivables are recognized at amortized cost. Their value in the financial position corresponds to their par value, after deducting accumulated impairment losses on the non-recoverable amounts.

According to IFRS 9, the estimate of irrecoverable amount is carried out by category of receivables regarding the historical risk associated to each category. The irrecoverable part of receivables is subject to an impairment.

According to IFRS 15, contract assets represent the consideration expected by Gaumont in exchange for services rendered, for which payment is not yet due and is contingent on special conditions other than the payment terms alone. When payment is conditional only on the passage of time, the expected consideration is recognized as a receivable.

	12.31.21	12.31.20
Trade receivables	108,980	80,738
Contract assets	1,741	4,409
Current financial assets	2,659	516
Advances and prepayments to suppliers	718	1,364
Payroll receivables	157	101
Tax receivables	15,083	12,929
Subsidies receivables	24,328	23,580
Current income tax assets	10,313	8,742
Current accounts	-	-
Receivables on asset sales	-	-
Other receivables	18,561	8,438
Derivatives	34	262
Prepaid expenses	849	942
Gross value	183,423	142,021
Trade receivables	-283	-294
Current financial assets	-	-
Current accounts	-	-
Other receivables	-631	-630
Impairment losses	-914	-924
NET VALUE	182,509	141,097
Maturities:		
• less than 1 year	155,839	137,655
• 1 to 5 years	26,670	3,442
• more than 5 years	-	-

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.



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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.

Contract assets mainly include receivables for productions *The Barbarians – Season 2* and *Was Zahlt*. Changes in contract assets are presented in note 5.4.

As of December 31, 2021, tax receivables are mainly representative of VAT to be received and also include k€2,387 in tax credits for American productions, compared to k€1,916 as of the end of December 2020.

Change in accumulated impairment losses

	MOVEMENTS OF THE PERIOD				
	12.31.21	+	-	OTHER ⁽¹⁾	12.31.20
Trade receivables	-283	-	10	1	-294
Current financial assets	-	-	-	-	-
Current accounts	-	-	-	-	-
Other receivables	-631	-1	-		-630
DEPRECIATIONS	-914	-1	10	1	-924
Impact on current operating income		-	10	-	
Impact on non-current operating income		-	-	-	
Impact on financial income		-1	-	-	

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

5.3. Trade payables and other liabilities

	12.31.21	12.31.20
Tax liabilities	-	-
Current accounts	-	-
Payables on acquisitions	-	-
Other payables	-	-
Total other non-current liabilities	-	-
Trade payables	11,768	6,239
Liabilities on films and audiovisual rights	10,539	5,002
Advances and deposits received	95	139
Payroll liabilities	8,804	7,058
Tax liabilities	6,524	3,662
Current income tax liabilities	-	-
Current accounts	-	-
Payables on acquisitions	-	-
Liabilities on other property, plant and equipment and intangible assets	697	3,622
Payables on distribution of works	51,580	50,674
Other payables	20,833	19,270
Derivatives	24	98
Contract liabilities	45,463	33,864
Tax credit to be amortized	9,160	6,793
Deferred public grants	169	350
Deferred income	4,436	5,165
Total other current liabilities	170,092	141,936
TOTAL	170,092	141,936
Maturities:		
• less than 1 year	169,870	141,710
• 1 to 5 years	14	15
• more than 5 years	208	211

Trade payables include payables relating to film distribution campaigns. They are closely linked to the theater release schedule.



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Production payables are closely linked to the production and delivery schedules of the works.

Other payables include the debt relating to the commitments to repurchase rights held by investors in French language feature films produced and distributed by Gaumont. This liability is measured at fair value as detailed in note 7.2.

According to IFRS 15, contract liabilities represent the consideration that Gaumont receives from contracts with customers for which performance obligations are unsatisfied at the end of the period. Contract liabilities include pre-sales received as production progresses, in the case of the financing of television series, and pre-sales on feature films for which the rights are not yet available due to the media release schedule.

Future revenues from contracts with customers will be recognized according to the following schedule.

	MATURITIES			
	2022	2023	2024 AND BEYOND	TOTAL
Movie production and distribution	9,610	2,001	-	11,611
Production and distribution of television series	9,197	20,179	16	29,392
Line production	4,460	-	-	4,460
TOTAL	23,267	22,180	16	45,463

Maturities are representative of the vesting of distribution rights periods or, in the case of line production recognized upon completion, of the expected production schedule.

5.4. Changes in contract assets and liabilities

Details of changes in contract assets and liabilities are presented in the table below.

	12.31.21		12.31.20	
	CONTRACT ASSETS	CONTRACT LIABILITIES	CONTRACT ASSETS	CONTRACT LIABILITIES
POSITION AT BEGINNING OF YEAR	4,409	33,864	4,578	29,547
Income recognized for the year included in contract liabilities at the beginning of the year	-	-33,786	-549	-19,586
Cash from unrecognized income for the year	-	40,999	250	18,647
Contract progress or alteration	-2,680	2,445	157	7,042
Currency translation adjustments	12	1,941	-27	-1,786
POSITION AT END OF YEAR	1,741	45,463	4,409	33,864

5.5. Changes in net working capital requirement

	2021	2020
Change in operating assets	-37,352	22,486
Change in operating liabilities	21,540	-3,866
Premiums paid on financial instruments	-	-
Current income tax expense	-1	-312
Tax paid	-10,311	-4,118
Pension and similar benefits allowance	155	-258
TOTAL	-25,969	13,932



The table below details the change in operating assets constituting the working capital requirement net of impairment (impairment losses on items constituting the working capital requirement are deemed to be disbursable).

	12.31.21	CHANGES IN WORKING CAPITAL REQUIREMENT	OTHER VARIATIONS ⁽¹⁾	12.31.20	CHANGES IN WORKING CAPITAL REQUIREMENT	OTHER VARIATIONS ⁽¹⁾	12.31.19
Inventories	466	110	-	356	-2	-	358
Trade receivables and contract assets	110,438	21,785	3,800	84,853	-29,221	-3,897	117,971
Current non-controlling financial assets	2,659	2,085	58	516	1	23	492
Advances and prepayments to suppliers	718	-652	6	1,364	440	-4	928
Payroll receivables	157	55	1	101	-36	-3	140
Tax receivables	15,083	1,780	374	12,929	-2,383	-660	15,972
Subsidies receivables	24,328	748	-	23,580	-241	-	23,821
Current income tax assets	10,313	1,491	80	8,742	3,580	172	4,990
Current accounts	-	-	-	-	-	-	-
Other receivables	17,930	10,055	67	7,808	5,083	-68	2,793
Prepaid expenses	849	-105	12	942	293	-9	658
ASSETS CONSTITUTING THE WORKING CAPITAL REQUIREMENT	182,941	37,352	4,398	141,191	-22,486	-4,446	168,123

(1) Changes in scope, fluctuations in foreign exchange rates and transfers between items.

A decrease in receivables is reflected in the cash position by a collection. As a result, the negative change above is represented as an inflow in the statement of cash flows.

An increase in receivables is reflected in the cash position by a non-collection. As a result, the positive change above is represented as an outflow in the statement of cash flows.

The table below sets out the change in operating liabilities constituting the working capital requirement.

	12.31.21	CHANGES IN WORKING CAPITAL REQUIREMENT	OTHER VARIATIONS ⁽¹⁾	12.31.20	CHANGES IN WORKING CAPITAL REQUIREMENT	OTHER VARIATIONS ⁽¹⁾	12.31.19
Trade payables	11,768	5,453	76	6,239	-4,461	-85	10,785
Advances and deposits received	95	-44	-	139	31	-	108
Payroll liabilities	8,804	1,635	111	7,058	907	-167	6,318
Tax liabilities	6,524	2,862	-	3,662	-3,800	-	7,462
Current income tax liabilities	-	-	-	-	-143	-	143
Current accounts	-	-	-	-	-	-	-
Other payables	72,413	600	1,869	69,944	-1,678	-1,875	73,497
Deferred income and contract liabilities	59,228	11,034	2,022	46,172	5,108	-2,022	43,086
LIABILITIES THAT CONSTITUTE THE WORKING CAPITAL REQUIREMENT	158,832	21,540	4,078	133,214	-4,036	-4,149	141,399

(1) Changes in scope, fluctuations in foreign exchange rates and transfers between items.



6. Financing

6.1. Equity

Share capital of the parent company

	MOVEMENTS OF THE PERIOD		
	12.31.21	+	-
	12.31.20		
Number of shares	3,119,923	-	-
Par value	€8		€8
CAPITAL (in euros)	24,959,384	-	-
	24,959,384		

Average number of shares outstanding

In accordance with IAS 33, the base result of earnings per share is determined by dividing the income attributable to shareholders of the parent company by the weighted average number of shares outstanding over the reporting period, as follows:

	2021	2020
Number of shares at January 1 st	3,119,876	3,119,876
Share capital increases relating to the exercise of stock options (<i>prorata temporis</i>)	-	-
Average number of ordinary shares	3,119,876	3,119,876

Treasury shares

Purchases of treasury shares are recognized as a deduction from equity at their acquisition cost. When treasury shares are sold, any resulting gains or losses are recognized in the consolidated retained earnings, net of tax.

At December 31, 2021 Gaumont held 4,649 treasury shares traded under the liquidity contract and 200 registered shares for a total purchase value of €257.

Dividends

No dividend was paid by Gaumont SA during the last two fiscal years.

Stock options

Stock options were awarded to some executive officers and employees of the Group, except for the Chairman of the Board of directors. These options give rise, when being exercised, to new shares being issued by a capital increase.

All these plans are equity-settled.

In accordance with the provisions of IFRS 2, the fair value of the options is valued on the grant date, using the Black & Scholes mathematical model as a basis. Fair value is reported as personnel expenses on a straight-line basis over the vesting period, and recognized in exchange for equity. In the last two years, no expenses have been recognized in respect of stock option plans, the vesting period for rights being complete for all plans since February 28, 2009.

No new stock option plans were established in the financial year.



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Outstanding option plans as per December 31, 2021, are detailed below.

PLAN	INITIAL GRANT		ADJUSTED GRANT		OPTIONS AT END OF PERIOD			
	PRICE	NUMBER	PRICE	NUMBER	CANCELED	SUBSCRIBED	OUTSTANDING	EXERCISABLE
Plan V (February 1996)	€50.31	104,000	€43.77	119,683	47,184	71,347	1,152	1,152
Plan VI (March 1998)	€64.03	168,000	€55.70	193,341	100,164	90,873	2,304	2,304
Plan VIII (February 2005)	€64.00	196,750	€55.79	226,534	103,943	101,896	20,695	20,695
TOTAL		468,750		539,558	251,291	264,116	24,151	24,151

In 2021, no dividend was paid out of the reserves and no options were exercised involving a change in the value of the options.

PLAN	GRANT DATE	EXERCISE PERIOD		MOVEMENTS OF THE PERIOD					
		START	END	12.31.21	ADJUSTED	GRANTED	CANCELED	SUBSCRIBED	12.31.20
Plan V	02.15.96	02.15.01	02.14.46	1,152	-	-	-	-	1,152
Plan VI	03.12.98	03.12.03	03.11.48	2,304	-	-	-	-	2,304
Plan VIII	02.28.05	02.28.09	02.27.49	20,695	-	-	-	-	20,695
TOTAL				24,151	-	-	-	-	24,151

Potential capital

Diluted earnings per share are calculated by dividing net income attributable to shareholders of the parent company by the weighted average number of ordinary shares, adjusted for the dilutive effect of stock options.

In the case of stock options, the difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at the average market price is treated as an issue of ordinary shares with a dilutive effect. Options and share warrants have a dilutive effect when their exercise would incur the issue of ordinary shares at a price below the average market price for ordinary shares during the year. Options and share warrants only have a dilutive effect when the average market price of ordinary shares during the year exceeds the strike price of the options or share warrants.

If a loss is made during the period, diluted earnings per share are calculated by dividing the net income attributable to the shareholders of the parent company by the number of shares at end of period, taking into account the accretive effect of exercising stock options.

	2021	2020
Average number of ordinary shares	3,119,876	3,119,876
Dilutive effect of stock options	11,867	11,550
Average potential number of ordinary shares	3,131,743	3,131,426



6.2. Net borrowings

Principles of measurement of borrowings

LOANS AND BORROWINGS

Loans and other borrowings are measured at amortized cost based on the effective interest rate of the transaction, including the cost of the loan issue fees.

SOFICAS

The rights to a share of proceeds of Soficas guaranteed by Gaumont are measured at amortized cost and recorded for their nominal value in the liabilities of the statement of financial position. The payback of the share of proceeds to which Soficas are entitled is directly recognized as an offset to these liabilities.

LEASE LIABILITIES

The rental obligation related to the useful right of an asset is stated in borrowings as of the start date of the lease. This liability is evaluated based on the discounted value of the remaining payments owed to the lessor. The discount rate corresponds to the implicit rate of the lease or, if it cannot be easily identified, to the marginal debt rate of the lessee company of the Group.

The marginal debt rate corresponds to the rate at which the Group should borrow over a duration equivalent to the duration of the lease and with the same guarantees, the sum necessary to obtain an asset of the same value as the cost of the right of use in a similar economic environment.



Change in borrowings

	MOVEMENTS OF THE PERIOD WITH AN IMPACT ON THE CASH POSITION				MOVEMENTS OF THE PERIOD WITHOUT AN IMPACT ON THE CASH POSITION			
	12.31.21	+	-	OTHER ⁽¹⁾	CURRENCY TRANSLATION ADJUSTMENTS	CHANGE IN IFRS 16 ESTIMATES	OTHER ⁽²⁾	12.31.20
Bonds	14,959	-	-	-	-	-	-1	14,960
Production loans ⁽⁴⁾	30,953	24,303	-48,126	-52	3,271	-	-362	51,919
Assignments of receivables	-324	2,954	-4,275	-	9	-	140	848
Financial contribution from the Caisse des dépôts	3,339	-	-	-	-	-	-926	4,265
Other loans and borrowings	296	-	-	-	9	-	-13	300
Non-current debt	49,223	27,257	-52,401	-52	3,289	-	-1,162	72,292
Bonds	-	-	-45,000	-	-	-	68	44,932
Production loans ⁽³⁾⁽⁴⁾	10,905	10,977	-5,357	-	580	-	397	4,308
Assignment of receivables ⁽³⁾	-132	-	-	-	-	-	-12	-120
State-guaranteed loan ⁽³⁾	24,963	25,000	-	-88	-	-	51	-
Financial contribution from the Caisse des dépôts	668	-	-640	-	-	-	926	382
Other loans and borrowings	875	4	-711	-	-	-	13	1,569
Bank overdraft	166	136	-	-	3	-	-	27
Accrued interest	231	-	-	-	5	-	-317	543
Current debt	37,676	36,117	-51,708	-88	588	-	1,126	51,641
Lease liabilities - non-current	7,245	-	-	-	509	-	-3,397	10,133
Lease liabilities - current	2,707	-	-2,985	-	132	-	2,470	3,090
Lease liabilities	9,952	-	-2,985	-	641	-	-927	13,223
FINANCIAL LIABILITIES AND LEASE LIABILITIES	96,851	63,374	-107,094	-140	4,518	-	-963	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.

(4) Production loans are presented according to their contractual maturity. However, as the repayment is made by deduction from the proceeds and pre-financing amount for the series in question, some of the repayments are made in advance of this overall maturity.



CONSOLIDATED FINANCIAL INFORMATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

REPAYMENT SCHEDULE

	12.31.21	MATURITY DATE		
		< 1 YEAR	1 TO 5 YEARS	> 5 YEARS
Revolving credit facility	-	-	-	-
Bonds	14,959	-	14,959	-
Production loans	41,858	10,905	30,953	-
Assignments of receivables	-456	-132	-324	-
State-guaranteed loan	24,963	24,963	-	-
Financial contribution from the Caisse des dépôts	4,007	668	2,671	668
Other loans and borrowings	1,171	875	51	245
Lease and finance lease liabilities	9,952	2,707	6,048	1,197
TOTAL⁽¹⁾	96,454	39,986	54,358	2,110

(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

	12.31.21	FRANCE	EUROPE	AMERICAS
Bonds	14,959	14,959	-	-
Production loans	41,858	-	-248	41,610
Assignments of receivables	-456	-	-	-456
State-guaranteed loan	24,963	24,963	-	-
Financial contribution from the Caisse des dépôts	4,007	4,007	-	-
Other loans and borrowings	1,171	1,049	-	122
Lease and finance lease liabilities	9,952	2,672	879	6,401
TOTAL⁽¹⁾	96,454	47,650	1,127	47,677

(1) Excluding accrued interest and bank overdraft.

BONDS

Gaumont issued a bond on November 14, and December 22, 2014 in the form of a listed Euro private placement (EuroPP) for a total amount of k€60,000. This bond is made up of two separate parts whose respective characteristics are presented below.

	PART 1	PART 2
Listing market		Euronext Paris
ISIN	FR0012303170	FR0012303188
Par value	k€45,000	k€15,000
Maturity	7 years	10 years
Maturities	November 14, 2021	November 14, 2024
Annual coupon	4.75%	5.125%
Payment of the coupon	annually in arrears	
Repayment	<i>in fine</i> – no premium	
Guarantees	None	
Covenants	3 covenants to be respected every 6 months	

The bond has three covenants, which are specified in note 7.1.

The first tranche of k€45,000, maturing on November 14, 2021, was repaid during the fiscal year.

Effective interest rate

At December 31, the effective interest rate of the outstanding borrowing was as follows:

	12.31.21	12.31.20
Before hedging instruments	5.22%	4.97%
After hedging instruments	-	-

Average interest rate

The changes in the loan average interest rate are presented below.

	2021	2020
Before hedging instruments	4.85%	4.84%
After hedging instruments	-	-



CONSOLIDATED FINANCIAL INFORMATION

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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 Neuflize 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 matured 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 7.1.

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 line and the refinancing loan as of December 31, 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.

PRODUCTION LOANS

Production loans are self-liquidating loans used to finance the production of American and European television series.

Production loans of American television series

These loans have the following characteristics:

- repayment of each loan takes place via a senior call on pre-financing payments and proceeds from the series financed;
- compensation is variable and is based on the LIBOR;
- collateral for the loans consists of pledging of assets financed.

Interest on these loans and the associated transaction costs are capitalized in the production costs of the assets until the series financed is delivered in full.

Details of outstanding production loans as of December 31, 2021 are presented below.

SERIES	BENEFICIARY ⁽¹⁾	LENDER	SUBSCRIPTION	MATURITY	(in thousands of us dollars)			
					TOTAL AMOUNT AUTHORIZED	REMAINING AMOUNT AVAILABLE	POSITION AT 12.31.21	POSITION AT 12.31.20
Narcos season 6	Narcos Productions Llc	MUFG Union Bank	12.12.19	31.12.23	92,218	9,389	30,709	58,499
Usagi	Usagi Productions Llc	MUFG Union Bank	08.14.20	08.14.22	16,478	3,620	12,254	4,726
F is for Family – season 5	Leodoro Productions Llc	MUFG Union Bank	11.24.20	12.31.23	12,726	1,796	4,401	4,985
TOTAL					121,422	14,805	47,364	68,210

(1) Subsidiaries wholly owned by Gaumont Television USA Llc.



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EFFECTIVE INTEREST RATE

At December 31, the effective interest rate of the outstanding borrowing was as follows:

	12.31.21	12.31.20
Before hedging instruments	5.21%	3.82%
After hedging instruments	-	-

AVERAGE INTEREST RATE

The changes in the loan average interest rate are presented below.

	2021	2020
Before hedging instruments	2.69%	4.35%
After hedging instruments	-	-

Production loans of European television series

SERIES	RECIPIENT	LENDER	SUBSCRIPTION	MATURITY	in thousands of euros			
					TOTAL AMOUNT AUTHORIZED	REMAINING AMOUNT AVAILABLE	POSITION AT 12.31.21	POSITION AT 12.31.20
Die Wespe	Gaumont GmbH	DZ Bank AG	07.28.20	Indefinite	9,000	3,394	248	1,050
TOTAL					9,000	3,394	248	1,050

This loan has the following characteristics:

- repayment takes place via a senior call on pre-financing payments and proceeds from the series financed;
- the interest rate is variable and EONIA-based.

ASSIGNMENTS OF RECEIVABLES

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.

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 compensation is variable and based on the LIBOR.

The detail of this credit facility is presented below.

(in thousands of US dollars)		STATUS OF ASSIGNED RECEIVABLES				DEBT SITUATION		
ACTIVITY	VALUE OF ASSIGNED CONTRACTS	BALANCE OF ASSIGNED RECEIVABLES	BALANCE SHEET AMOUNT	OFF-BALANCE SHEET COMMITMENTS	AUTHORIZED MAXIMUM AMOUNT	REMAINING AMOUNT AVAILABLE	POSITION AT 12.31.21	POSITION AT 12.31.20
American television programs	38,549	6,599	6,038	561	50,000	2,137	-	1,560
TOTAL	38,549	6,599	6,038	561	50,000	2,137	-	1,560

As of December 31, 2021, no drawdowns have been made and the remaining drawdown amount available is k\$ 2,137.

Since all the risks associated with assigned receivables remain with the Group, the receivables are kept on as assets on the statement of financial position or included as off-balance sheet commitments.



CONSOLIDATED FINANCIAL INFORMATION

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Effective interest rate

As of December 31, 2021, no drawdown has been made on this credit line. Consequently, the effective interest rate is not applicable.

Average interest rate

The changes in the loan average interest rate are presented below.

	2021	2020
Before hedging instruments	6.31%	4.16%
After hedging instruments	-	-

FINANCIAL CONTRIBUTION FROM THE CAISSE DES DÉPÔTS ET CONSIGNATIONS FOR THE RESTORATION AND DIGITIZATION OF THE CATALOG

On July 6, 2012, Gaumont signed a financial contribution agreement with *Caisse des dépôts et consignations* to restore and digitize catalog films. This financial contribution is repayable when receipts are earned on the restored films over a maximum 15-year period, and is guaranteed by the pledge of the assets concerned, as detailed further below.

As of December 31, 2021, the restoration program is completed. The outstanding debt to Caisse des dépôts et consignations stands at k€4,007.

Cash and cash equivalents

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, in view of management intentions, and do not entail a significant risk of loss in value in the event of interest rate changes.

These financial instruments are measured at their fair value through profit and loss.

	12.31.21	12.31.20
Cash equivalents	-	34,016
Bank accounts and petty cash	92,108	80,385
TOTAL	92,108	114,401

As of December 31, 2020, cash equivalents contained a term deposit of k€20,000 which could be withdrawn in part or in full early and without penalty. They also included a term deposit renewable every month for an amount of k€10,000 which can be repaid at any time. All of these cash equivalents were repaid to Gaumont at December 31, 2021.

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

Financing commitments

	12.31.21	12.31.20
Commitments given	60,539	67,427
Assignment of receivables as loan security	495	759
Pledging of assets	60,043	66,668
Commitments received	118,353	55,474
Unused credit facility	118,353	55,474

Unused credit facilities consist of:

- k\$14,805 in respect of production loans arranged for US activities;
- k€3,394 in respect of production loans arranged for European activities;
- k\$2,137 for the receivables' assignment agreement entered into by Gaumont USA Inc.;
- k€100,000 under the loan agreement comprising a revolving credit facility and a refinancing loan.

Pledging of assets

In guarantee of the financial contribution from the Caisse des dépôts et consignations for the digitization of films from its catalog, Gaumont pledged the works restored with the help of this funding. As of December 31, 2021, they had a net carrying amount of k€7,926.

The Group pledged all of the assets financed in guarantee of the production loans taken out by Gaumont Television USA subsidiaries.

At December 31, 2021, the pledges made by Gaumont and its subsidiaries had a total net carrying amount of k€60,043.

	TYPE OF PLEDGES/MORTGAGES	12.31.21	12.31.20
On intangible assets	18,117	60,246	
On property, plant and equipment	-	-	
On non-controlling financial assets	-	-	
On receivables	39,418	3,054	
On cash accounts	2,508	3,368	
TOTAL	60,043	66,668	



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These pledges expire at the same date as the associated loans.

TYPE OF PLEDGES/MORTGAGES	12.31.21	MATURITIES		
		LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS
On intangible assets	18,117	10,039	152	7,926
On property, plant and equipment	-	-	-	-
On non-controlling financial assets	-	-	-	-
On receivables	39,418	542	38,876	-
On cash accounts	2,508	218	2,290	-
TOTAL	60,043	10,799	41,318	7,926

7. Financial risks and hedging

7.1. Financial risks

Credit and counterparty risk

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

As of December 31, 2021, exposure to credit risk was as follows:

	12.31.21	OUTSTANDING	RECEIVABLES OWING					
			FROM 1 TO 30 DAYS	FROM 31 TO 60 DAYS	FROM 61 TO 90 DAYS	FROM 91 TO 180 DAYS	FROM 181 TO 360 DAYS	OVER 360 DAYS
Trade receivables	86,528	69,326	6,026	5,365	1,252	1,501	2,779	279
Net receivables on movies and series	9,764	9,733	31	-	-	-	-	-
TOTAL	96,292	79,059	6,057	5,365	1,252	1,501	2,779	279



Liquidity risk

BONDS

The k€60,000 bond issue, for which the second tranche of €15,000 matures on November 14, 2024, and whose main characteristics are described in note 6.2, has three financial covenants to be met on a half-yearly basis.

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

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 covenants, financial borrowings are defined excluding the Caisse des dépôts et consignations financial contribution and excluding loans taken out by American subsidiaries, as long as they are without recourse against the Gaumont Group.

As of December 31, 2021, given the absence of net borrowings from the French and European entities, the R3 covenant was not applicable. The R1 and R2 covenants were respected and were respectively at 5.44 and 0.24.

LOAN AGREEMENT

The loan agreement, comprising a revolving credit line and a refinancing loan for a total amount of k€100,000, and whose characteristics are described in note 6.2, is accompanied by three financial covenants to be met on a half-early basis.

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 Ambassade 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 December 31, 2021, given a negative net financial borrowings excluding US production loans and lease liabilities under the scope of IFRS 16, the R1 and R3 covenants were not applicable.

The R2 ratio was respected and was at -0.4.

Market risks

INTEREST RATE RISK

In France, the Gaumont Group finances its general requirements by means of external fixed or variable rate loans. At December 31, 2021, Gaumont's debt in France mainly consisted of a fixed-rate bond issue of k€15,000, a State-guaranteed loan of €25,000 and available cash of k€52,160.

In the United States, the Group finances its productions by drawing on dedicated production credit lines and by assigning receivables for a line of credit with a maximum amount of k\$50,000. These variable rate credit lines are arranged with banks specializing in television production finance.

In Germany, the group can also use dedicated production loans with variable rates.

The key features of these credit lines are described in note 6.2.

As of December 31, 2021, the Group's interest rate exposure was as follows:

	12.31.21	MATURITY SCHEDULE		
		LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS
Fixed-rate financial assets	-	-	-	-
Variable-rate financial assets	92,108	92,108	-	-
Financial assets not exposed	-	-	-	-
Financial assets⁽¹⁾	92,108	92,108	-	-
Fixed-rate financial liabilities	-53,881	-28,338	-23,678	1,865
Variable-rate financial liabilities	-41,402	-10,773	-30,629	-
Financial liabilities not exposed	-1,568	-1,272	-51	-245
Financial liabilities⁽²⁾	-96,851	-40,383	-54,358	-2,110

(1) Cash and cash equivalents.

(2) Borrowings.

The Group manages its exposure to rate risk by using interest rate swap and cap contracts.

At December 31, 2021, Gaumont de not use interest rate derivatives.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The net exposure to interest rate risk is as follows:

	TOTAL	FIXED RATE	VARIABLE RATE	NOT EXPOSED
Financial assets ⁽¹⁾	92,108	-	92,108	-
Financial liabilities ⁽²⁾	-96,851	-53,881	-41,402	-1,568
Net position before hedging	-4,743	-53,881	50,706	-1,568
Hedging	-	-	-	-
Net position after hedging	-4,743	-53,881	50,706	-1,568
Sensitivity	507	-	507	-

(1) Cash and cash equivalents.

(2) Borrowings.

As Gaumont's exposure to interest rate risk is reversed due to the cash surplus, sensitivity to this risk represents an opportunity cost.

FOREIGN EXCHANGE RISK

The Group 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.

Throughout 2021, revenue invoiced in a currency other than that of the company behind the transaction amounted to k€18,400, or 6.9% of total revenue, and breaks down as follows:

(in thousands of euros)	TOTAL	USD	CZK	CHF	GBP	CAD	AUD	MISCELLANEOUS EUR ⁽¹⁾	NEOUS
Revenue	18,400	8,996	6,059	423	302	147	129	2,195	149

(1) Revenue generated by entities outside the euro zone.

Gaumont examines on a case-by-case basis the necessity and feasibility of currency hedging for this risk, taking into account the unit transaction amount.



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At December 31, 2021, the Group's exposure to operating foreign exchange risks was as follows:

	RISK RELATED TO A CHANGE IN THE EURO VALUE						
	TOTAL (in thousands of euros)	USD/EUR	GBP/EUR	CAD/EUR	PLN/EUR	AUD/EUR	OTHER/EUR
Assets	791	704	2	31	21	17	16
Liabilities	-103	-9	-94	-	-	-	-
Off-balance sheet	235	235	-	-	-	-	-
Net position before hedging	923	930	-92	31	21	17	16
Hedging	-	-	-	-	-	-	-
Net position after hedging	923	930	-92	31	21	17	16
Sensitivity	-93	-93	9	-3	-2	-2	-2

An across-the-board 10% decrease in all of the above-mentioned currencies against the euro would have a negative impact of k€93 on the Group's net income.

	RISK RELATED TO A CHANGE IN THE DOLLAR VALUE				
	TOTAL (in thousands of us dollars)	CAD/USD	JPY/USD	GBP/USD	AUD/USD
Assets	1,480	1,447	-	21	12
Liabilities	-	-	-	-	-
Off-balance sheet	-89	-	-89	-	-
Net position before hedging	1,391	1,447	-89	21	12
Hedging	-	-	-	-	-
Net position after hedging	1,391	1,447	-89	21	12
Sensitivity	-139	-145	9	-2	-1

An across-the-board 10% decrease in all of the above-mentioned currencies against the US dollar would have a negative impact of k\$139 on the Group's net income.

The Group 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 endeavors to keep foreign currency balances in its accounts at a low level to ensure natural hedging between collection and disbursement flows of foreign currencies and to keep advances made in foreign currencies to a minimum.

At December 31, 2021, Gaumont had forward currency sale contracts in place to hedge against future movements in the dollar and the pound sterling against the euro.

	CURRENCY	COUNTERPARTY	NOTIONAL AMOUNT (in thousands of currency)	MATURITIES				FAIR VALUE (in thousands of euros)
				LESS THAN 90 DAYS	FROM 90 TO 180 DAYS	FROM 180 TO 360 DAYS	OVER 360 DAYS	
Forward currency sales	USD	EUR	50,495	50,495	-	-	-	58
Forward currency sales	GBP	EUR	6,223	6,223	-	-	-	-48
TOTAL								10

These instruments are qualified as hedging as of k\$50,495 and k£6,223.



CONSOLIDATED FINANCIAL INFORMATION

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At December 31, 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	55,188	47,709	7,479
Liabilities	-	-	-
Off-balance sheet	-	-	-
Net position before hedging	55,188	47,709	7,479
Hedging	-51,989	-44,583	-7,406
Net position after hedging	3,199	3,126	73
Sensitivity	-320	-313	-7

A 10% decrease in the US dollar and the sterling pound against the euro would have a negative impact of k€320 on the Group's net income.

As a result of its investments in subsidiaries based in the United States and the United Kingdom, 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 December 31, 2021, the Group's foreign exchange risk from foreign investments was as follows:

(in thousands of euros)	USD/EUR	GBP/EUR
Assets	204,569	1,416
Liabilities	-244,145	-8,439
Off-balance sheet	40,741	-
Net position before hedging	1,165	-7,023
Hedging	22,758	-
Net position after hedging	23,923	-7,023
Sensitivity	-2,392	702

A 10% decrease in the US dollar against the euro would have a negative impact of k€2,392 and a 10% decrease in the sterling pound would have a positive impact of k€702 on the Group's equity.

At December 31, 2021, the current account contributed by Gaumont SA to its American subsidiary Gaumont TV USA which was classified as a hedge on net foreign investments in 2020 has a par value of k\$29,193.

EQUITY RISK

Gaumont and its subsidiaries are not engaged in speculative stock market operations.

At December 31, 2021 Gaumont held 4,649 treasury shares traded under the liquidity contract and 200 registered shares for a total amount of k€257.

The risk of impairment of treasury shares related to volatility in the Gaumont share price remains marginal in view of the amounts invested.

7.2. Financial instruments

Derivatives and hedging operations

The Group uses derivatives to manage and reduce its exposure to the risk of changes in interest rates and foreign exchange rates. These instruments include interest rate swap agreements and foreign exchange options as well as forward contracts to purchase or sell currencies.

Derivatives are initially recognized at their fair value on the effective date of the contract and then remeasured at each reporting date. The fair value of derivatives is shown on the statement of financial position as "Other receivables" or "Other payables", depending on whether it results in an unrealized gain or loss.

NON-HEDGING DERIVATIVES

For instruments that do not qualify as hedges, the change in fair value is reported in financial income under "Other financial income and expenses."

HEDGING DERIVATIVES

IFRS standards define three categories of hedging instruments, each having its own accounting method:

- fair value hedges are intended to provide protection from exposure to a change in the fair value of an asset or of a liability that has been recognized, or of a firm commitment that has not been recognized, which has an impact on net income;
- cash flow hedges are intended to provide protection from exposure to fluctuations in cash flows attributable to a particular risk associated with an asset or with a liability that has been recognized, or to a highly probable forecast transaction, which could affect net income;
- hedges of net investments in foreign operations are designed to protect from exposure to fluctuations in foreign exchange rates affecting an investment in a foreign entity.



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When the Group enters into a hedging transaction, it ensures that:

- at the inception of the transaction, formal designation and documentation describe the hedging relationship and the Management's objective in relation to the relevant risk management and hedging strategy;
- management expects the hedge to be highly effective in offsetting risks;
- the transactions hedged are highly probable and involve exposure to variations in cash flows that could ultimately affect the income statement;
- the effectiveness of the hedge can be measured reliably;
- the effectiveness of the hedge is assessed on an ongoing basis and is determined to be highly effective throughout the life of the hedge.

For cash flow hedges, any changes in fair value relating to the effective portion of the derivative are recognized in other comprehensive income. The ineffective portion of these changes is recognized in operating income or in financial income for the year, depending on the nature of the hedged item.

The changes in fair value that are recorded in equity are transferred to income statement for the year in which the hedged transaction occurs and affects the income statement.

In 2021, the Group used currency derivatives to hedge its exposure to fluctuations in the value of the dollar.

Derivatives included in the statement of financial position at their fair value at the reporting date are reported below.

	12.31.21	12.31.20		
	ASSETS	LIABILITIES AND EQUITY	ASSETS	LIABILITIES AND EQUITY
Interest rate derivatives	-	-	-	-
Foreign exchange derivatives	34	24	262	98
TOTAL	34	24	262	98

Changes in the fair value of derivatives recorded in net income or other comprehensive income are presented as follows:

	12.31.21	OTHER COMPREHENSIVE INCOME	NET INCOME	CURRENCY TRANSLATION ADJUSTMENTS	PREMIUMS PAID	12.31.20
Derivative instruments – assets	34	387	-625	10	-	262
Derivative instruments – liabilities	-24	77	-	-3	-	-98
TOTAL	10	464	-625	7	-	164

The ineffective portion recognized in income for the period for these contracts resulted in a k€7 profit.

Derivatives designated as hedging instruments against the Group's foreign exchange exposure have the following characteristics:

	CURRENCY	COUNTERPARTY	NOTIONAL AMOUNT (in thousands of currency)	MATURITIES			
				LESS THAN 90 DAYS	FROM 90 TO 180 DAYS	FROM 180 TO 360 DAYS	OVER 360 DAYS
Forward currency sales	USD	EUR	50,495	50,495	-	-	-
Forward currency sales	GBP	EUR	6,223	6,223	-	-	-



CONSOLIDATED FINANCIAL INFORMATION

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Financial instruments by category and fair value hierarchy

IFRS standards allocates financial assets into three separate categories:

- financial assets valued at amortized cost, which essentially comprises loans and receivables;
- financial assets held for transaction purposes, measured at fair value through profit and loss;
- available-for-sale financial assets, measured at fair value through equity.

Financial liabilities mainly include borrowings, which are valued at amortized cost.

Furthermore, IFRS standards classify financial assets and liabilities measured at fair value according to three hierarchical levels, depending on the more or less observable nature of the fair value of the instrument:

- level 1 instruments are financial instruments listed on an active market;
- level 2 instruments are those for which measurement at fair value requires using techniques based on observable market data;
- level 3 instruments are measured using techniques based on non-observable data.

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 fair value in the financial statements.

	12.31.21		BREAKDOWN BY CATEGORY OF INSTRUMENTS					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	DERIVATIVES	
Investments in non-consolidated entities	3	3	-	3	-	-	-	N/A
Other non-current financial assets	163	163	-	-	163	-	-	N/A
Other current financial assets	181,626	181,626	-	-	181,626	-	-	N/A
Derivative instruments – assets	34	34	-	-	-	-	34	2
Cash and cash equivalents	92,108	92,108	92,108	-	-	-	-	1
Financial assets	273,934	273,934	92,108	3	181,789	-	34	
Non-current borrowings	56,468	56,468	-	-	-	56,468	-	N/A
Other non-current financial liabilities	-	-	-	-	-	-	-	N/A
Current borrowings	40,383	40,383	-	-	-	40,383	-	N/A
Other current financial liabilities	110,840	110,840	11,667	-	-	99,173	-	3 / N/A
Derivative instruments – liabilities	24	24	-	-	-	-	24	2
Financial liabilities	207,715	207,715	11,667	-	-	196,024	24	

Investments in non-consolidated companies are categorized as available-for-sale financial assets and carried at purchase cost as fair value cannot be reliably measured.

The fair value of interest rate and foreign exchange derivatives is estimated from measurements provided by banks or financial models commonly used in financial markets on the basis of market inputs at the reporting date for the year (level 2 measurement). These derivatives are designated as hedging instruments.

Other current financial liabilities included a liability of k€11,667 measured at fair value through profit and loss. This liability represents Gaumont's commitment to repurchase, by December 31, 2022, 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. 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 December 31, 2021, the impact on net income of the discounted fair value of this commitment was k€358.

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



CONSOLIDATED FINANCIAL INFORMATION

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	12.31.20		BREAKDOWN BY CATEGORY OF INSTRUMENTS							
	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	DERIVATIVES		
Investments in non-consolidated entities	3	3	-	-	3	-	-	-	N/A	
Other non-current financial assets	164	164	-	-	-	164	-	-	N/A	
Other current financial assets	139,893	139,893	-	-	-	139,893	-	-	N/A	
Derivative instruments – assets	262	262	-	-	-	-	-	262	2	
Cash and cash equivalents	114,401	114,401	114,401	-	-	-	-	-	1	
Financial assets	254,723	254,723	114,401		3	140,057		262		
Non-current borrowings	82,425	82,425	-	-	-	-	82,425	-	N/A	
Other non-current financial liabilities	-	-	-	-	-	-	-	-	N/A	
Current borrowings	54,731	54,731	-	-	-	-	54,731	-	N/A	
Other current financial liabilities	95,666	95,666	13,183	-	-	-	82,483	-	3 / N/A	
Derivative instruments – liabilities	98	98	-	-	-	-	-	98	2	
Financial liabilities	232,920	232,920	13,183		-	-	219,639	98		



8. Provisions and contingent liabilities

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.

In case of litigation where the risks appear to be unlikely, or difficult to quantify, no provision is accounted. They are disclosed as contingent "liabilities" unless the Group estimate that the risk that these proceeds having a material negative effect on the financials is remote. The occurrence of events during the procedure may lead at any time to a reassessment of the risk.

8.1. Change in current and non-current provisions

	12.31.21	MOVEMENTS OF THE PERIOD				12.31.2020 ⁽³⁾
		INCREASES	USES	REVERSALS ⁽¹⁾	OTHER ⁽²⁾	
Provisions for pension and similar benefits	4,961	430	-173	-102	-170	4,976
Provisions for legal proceedings with personnel	4,741	164	-	-	359	4,218
Non-current provisions	9,702	594	-173	-102	189	9,194
Provisions for legal proceedings relating to intellectual property rights over works	300	-	-	-150	-	450
Provisions for legal proceedings with personnel	760	510	-	-	-	250
Provisions for commercial legal proceedings	-	-	-	-	-	-
Provisions for other legal proceedings	-	-	-	-	-	-
Provisions for risks on investments in associates	-	-	-	-	-	-
Provisions for risks on creative works	-	-	-	-	-	-
Other provisions for miscellaneous risks	-	-	-	-	-	-
Provisions for property-related expenses	-	-	-	-	-	-
Provisions for personnel costs	-	-	-	-	-	-
Provisions for income taxes	-	-	-	-	-	-
Provisions for other costs	137	135	-6	-	-	8
Current provisions	1,197	645	-6	-150	-	708
TOTAL	10,899	1,239	-179	-252	189	9,902
Impact on current operating income		1,239	-179	-252	-	-
Impact on non-current operating income		-	-	-	-	-
Impact on share of net income of associates		-	-	-	-	-
Impact on other comprehensive income		-	-	-	189	-

(1) Unused amounts.

(2) Changes in scope, transfers between items, foreign currency translation adjustments, actuarial gains or losses.

(3) The financial statements as of 12.31.20 include the impacts of the retrospective application of the new IFRIC position concerning the model for calculating pension provisions.



Provisions for intellectual property disputes include ongoing disputes over ownership of creative works or over how proceeds from their distribution should be divided up.

Provisions for other legal proceedings relate to suits over the application of French employment regulations, but do not include disputes with employees going through arbitration which are reported under legal proceedings with personnel.

Provisions for other risks covers risks related to regulatory controls or partners in financial difficulties.

These provisions are adjusted according to changes in risk estimated using information available on the closing date. As of December 31, 2021, provisions for risk recognized in 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.

The provisions for costs related to personnel are representative of severance pay whose obligating event occurred prior to December 31, 2021.

8.2. 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 that had occurred previously. These proceedings are now under way behind the Judicial Court since the Commercial Court's discontinuance or declaration of incompetence. Following a court order dismissing the opposing party, the summary proceeding is appealed.

A fifth action also opened in 2020, aimed at bringing Gaumont's responsibility in a class action, was deemed inadmissible by the commercial court and is being reiterated in front of the judicial court.

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

8.3. Employee benefits

The provision for post-employment benefits relates to the Group's pension commitment to its employees.

Provisions for pension and similar benefits include pensions and other retirement benefits provided for under the collective agreements of the Group's companies and commitments related to bonuses granted subject to certain seniority conditions. These provisions solely relate to the Group's French employees.

In accordance with IAS 19, it is calculated, by independent actuaries, on the basis of the projected unit credit method at the date of retirement, based on the salary at that date, and regarding the following assumptions:

- rights under agreements measured in relation to the length of service accrued by the various categories of personnel;
- an assumption of the retirement date varying based on the employees' job category and date of birth, in order to take into account the regulations in force;
- an estimated turnover rate based on past experience;
- wages and salaries, including employer's social security contributions, measured at the prevailing rates;
- an annual rate of salary increase;
- mortality based on statistical tables;
- discount rate reviewed at each end of period, based on long-term corporate bonds (Euro zone AA rated corporate bonds +10 years).

As preconized by the new IFRIC position, presented in note 1.3, the total commitments are spread over each of the past and future years that led to an allocation of rights to the plan. Note that if these rights are capped or obtained by level, they are allocated retroactively from the last projected year of service.

In accordance with IAS 19:

- commitments are all recognized as a liability on the consolidated financial position;
- past service costs, profits and losses on liquidation and the net interest on the liabilities recognized in respect of the services defined are recognized as net income for the year and presented in "Personnel expenses";
- the actuarial gains and losses are recognized in "Other comprehensive income";
- impacts of plan amendments are immediately recorded in net income;
- the expected rate of return on plan assets is the same as the discount rate applied to the defined benefit obligation.

The Group has no assets in respect of its defined benefit plans.

The Group also recognizes its commitments related to bonuses granted subject to certain seniority conditions. The value of these commitments is calculated by applying the method and assumptions used to measure pensions and other retirement benefits.



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Analysis of provisions for pension and similar benefits break down as follows:

	12.31.21	12.31.20 ⁽¹⁾
Pensions	4,762	4,791
Seniority bonuses	199	185
TOTAL	4,961	4,976

(1) The financial statements as of 12.31.20 include the impacts of the retroactive application of the new IFRIC position concerning the model for calculating pension provisions.

The commitment for post-employment benefits is expected to result in the payment schedule set out below.

	12.31.21	12.31.20
Expected payments in the next ten years		
less than 1 year	456	514
1 to 5 years	389	354
5 to 10 years	2,534	1,313
AVERAGE DURATION OF THE COMMITMENT (IN YEARS)	13.11	13.37

The changes in actuarial liability for the last three years are detailed in the table below.

	2021	2020				
	PENSIONS	SENIORITY BONUSES	TOTAL	PENSIONS	SENIORITY BONUSES	TOTAL
ACTUARIAL LIABILITY AT THE BEGINNING OF THE REPORTED YEAR	4,846	185	5,031	4,349	170	4,519
Retroactive impact of the IFRIC position	-55	-	-55			
ACTUARIAL LIABILITY AT THE BEGINNING OF THE PROFORMA YEAR	4,791	185	4,976			
Current service cost	401	19	420	343	16	359
Plan amendment	-89	-	-89	-424	-	-424
Benefits paid	-171	-2	-173	-59	-9	-68
Service cost	141	17	158	-140	7	-133
Discounting effect	30	1	31	27	1	28
Interest expense	30	1	31	27	1	28
Actuarial gains and losses recognized in net income			-			-
Net expense recognized in income	171	18	189	-113	8	-105
Experience gains/losses	-119	-1	-120	43	-15	28
Changes in demographic assumptions	1	-	1	3	-	3
Changes in financial assumptions	-82	-3	-85	564	22	586
Actuarial gains and losses recognized in comprehensive income	-200	-4	-204	610	7	617
Amounts recognized in other comprehensive income	-200	-4	-204	610	7	617
Changes in scope	-	-	-	-	-	-
ACTUARIAL LIABILITY AT THE END OF THE YEAR	4,762	199	4,961	4,846	185	5,031



The future liability for pension and similar benefits was assessed based on the following actuarial assumptions:

	PENSIONS		SENIORITY BONUSES	
	12.31.21	12.31.20	12.31.21	12.31.20
Discount rate	0.80%	0.65%	0.80%	0.65%
Expected return on plan assets	0.00%	0.00%	0.00%	0.00%
Inflation rate	1.90%	1.70%	1.90%	1.70%
Average expected increase in salaries	2.38%	2.26%	2.38%	2.26%

Applying the actuarial assumptions, the expected expenses for 2022 breaks down as follows:

	2022		
	PENSIONS	SENIORITY BONUSES	TOTAL
Current service cost	402	19	421
Plan amendment	-	-	-
Service cost	402	19	421
Discounting effect	36	2	38
Interest expense	36	2	38
EXPECTED CHARGE FOR THE PERIOD	438	21	459

The table below shows the sensitivity of the commitment and future charge to a 100 basis points change in the discount rate. The amounts shown represent the change compared with the liability reported in the statement of financial position or to the expected charge for the next period.

ASSUMPTIONS	PRESENT VALUE OF LIABILITY			SERVICE COST IN 2022		
	SENIORITY		TOTAL	SENIORITY		TOTAL
	PENSIONS	BONUSES		PENSIONS	BONUSES	
DISCOUNT RATE (Basic rate: 0.80%)						
-0.20%	689	26	715	45	2	47
1.80%	-565	-21	-586	-99	-4	-103

9. Other information

9.1. Income tax and other taxes

Principles and methods of recognition of duties and taxes

OBLIGATING EVENT FOR LEVY RECOGNITION

In accordance with the interpretation of IFRIC 21, the obligating event for levy recognition is the event that triggers the payment, as defined in legal and regulatory provisions. When the obligating event occurs over a certain period of time, the tax liability is recognized gradually over the period.

When legal and regulatory provisions state that a minimum threshold must be reached for the tax to be payable, it is recognized when the threshold is actually reached.

DEFERRED TAX

In accordance with IAS 12, deferred tax is recognized for all temporary differences identified between the carrying amount of assets and liabilities and their tax bases, using the liability method.

Deferred tax assets on tax loss carryforwards are recognized when their recovery is considered probable based on recent business plans.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are assessed at the tax rates that are expected to be applied during the year in which the asset will be realized or the liabilities paid, based on known tax rates applicable in the various countries on the reporting date.

The Group considers the local business tax (*contribution économique territoriale*) and in particular the contributions based on the added value of companies (*Cotisation sur la valeur ajoutée des entreprises*, or CVAE) as an operating expense which does not come under the scope of IAS 12. No deferred tax liability is recognized on this basis.



Reconciliation of recorded tax and theoretical tax

	2021	2020
Net income of companies before tax	997	-15,900
Current tax rate applicable to the parent company	26.50%	28.00%
Theoretical tax	-264	4,452
Reduced tax rate differentials	-	-
Effect of change in rates on temporary differences	-	-
Tax rate differentials between France and abroad	100	23
Share of net income of associates	-	-
Permanent differences	-345	-160
Impact of capping deferred tax assets at the amount of deferred tax liabilities	-361	285
Long-term gains on disposals of consolidated shares	-	-
Change in unrecognized tax loss carryforwards	-1,784	-7,582
Tax consolidation	377	1.000
Tax credits in operating income ⁽¹⁾	2.321	1.443
Income tax without base and tax credits	-1	-334
Effective tax benefit (expense)	43	-873
Effective tax rate	-4.31%	-5.49%

(1) In the consolidated financial statements, the cinema tax credit is presented in current operating income.

Breakdown of the tax expense or benefit

	2021	2020
Current income tax	-1	-312
Deferred tax	44	-561
TOTAL TAXES	43	-873

CURRENT INCOME TAX

Current tax income or expense is equal to the amounts of income tax, net of tax credits, owed to the tax authorities for the year under the tax law, and rates in force in the various countries.

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

The tax consolidation scope includes Gaumont SA, Gaumont Télévision SAS, Gaumont Production SARL, Gaumont Animation SAS, Editions la Marguerite SARL, Gaumont Production Télévision SARL, Gaumont Production Animation SARL, GP Archives SAS and Gaumont Vidéo SAS.

The fiscal consolidation is neutral for the subsidiaries, as the tax savings or expenses generated by consolidation are recognized in the financial statements of Gaumont SA. The tax saving on profits inherent in the tax losses of the consolidated subsidiaries are systematically repaid to the latter.

The tax consolidation generated tax savings of k€377 for the year.

DEFERRED TAX

The rate used to calculate deferred tax is as follows:

	2021	2020
Standard tax rate for French companies	25.00%	25.00%
Tax rate for companies based in Germany	20.50%	20.50%
Tax rate for companies based in Italy	24.00%	24.00%
Tax rate for companies based in the United Kingdom	19.00%	19.00%
Tax rate for companies based in California, the United States	28.00%	28.00%

The tax rate used for the assessment of deferred tax of French entities at December 31, 2021 take into account the gradual reduction of the income tax rate, which is fixed to 25% starting from 2022.

There is no impact from the change in the French tax rate on the Group's net earnings to the extent that the tax losses of the integrated group are recognized in the financial statements so that the net deferred tax assets of tax consolidation group companies do not exceed their net deferred tax liabilities and that the unrecognized tax losses of the tax consolidation group are adequate to cover the changes linked to the decrease in tax rate.



CONSOLIDATED FINANCIAL INFORMATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred tax is presented in the statement of financial position under non-current assets and/or non-current liabilities, as applicable. They break down as follows:

	12.31.21	EFFECT ON COMPREHENSIVE INCOME	OTHER CHANGES ⁽¹⁾	12.31.20 ⁽²⁾
Deferred tax assets	3,463	-375	89	3,749
Deferred tax liabilities	-3,131	-239	-69	-2,823
NET DEFERRED TAX	332	-614	20	926

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

(2) The financial statements as of 12.31.20 include the impacts of the retrospective application of the new IFRIC position concerning the model for calculating pension provisions.

The origin of the net deferred tax is presented below.

	12.31.21	EFFECT ON COMPREHENSIVE INCOME	OTHER CHANGES ⁽¹⁾	12.31.20 ⁽²⁾
Recognized unused tax losses	5,429	-498	21	5,906
Fair value of films	-647	311	-	-958
Fair value of land and buildings	-5,036	56	-	-5,092
Accelerated amortization of films	227	479	-	-252
Other temporary differences	359	-962	-1	1.322
NET DEFERRED TAX	332	-614	20	926

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

(2) The financial statements as of 12.31.20 include the impacts of the retrospective application of the new IFRIC position concerning the model for calculating pension provisions.

Income tax on other comprehensive income

OTHER COMPREHENSIVE INCOME	GROSS AMOUNT	TAX EFFECT	NET AMOUNT	2021	2020	NET AMOUNT
				GROSS AMOUNT	TAX EFFECT	
Translation adjustments of foreign operations	-4,144	-	-4,144	4,067	-	4,067
Change in fair value of available-for-sale financial assets	-	-	-	-	-	-
Change in fair value of hedging financial instruments	2,408	-616	1,792	-1,843	460	-1,383
Changes in asset revaluation surplus	-	-	-	-	-	-
Actuarial gains (losses) on defined benefit plans	170	-42	128	-769	192	-577
Share in other comprehensive income of associates	-	-	-	-	-	-
TOTAL	-1,566	-658	-2,224	1,455	652	2,107

As of December 31, 2021, the tax loss carryforwards of the Gaumont tax consolidation group that could be carried over indefinitely and against which there is a probability of charging future profits amounted to k€71,087.

Tax losses of the integrated group are recognized in the financial statements so that the net deferred tax assets of companies in the tax consolidation group do not exceed their net deferred tax liabilities, after using any tax losses available prior to the fiscal consolidation. As of December 31, 2021, recognized losses for the tax consolidation group were k€17,604, compared with k€18,346 at the end of 2020.

As of December 31, 2021, the previous tax loss carryforwards of European companies and French companies not benefiting from the fiscal consolidation regime amounted to k€5,454. The tax losses of the German and British companies, whose activities were started in 2018 and being activated partially or totally, led to recognizing a deferred tax asset amounted to k€1,074. The development perspectives of these two companies underpin the probable recovery of these capitalized losses.

The tax losses of the American companies are recognized in the financial statements so that the deferred tax assets do not exceed their net deferred tax liabilities. As of December 31, 2021, the losses activated for the American companies are nil.



9.2. Statutory auditors' fees

The fees of the statutory auditors and members of their network paid by the Group in 2020 and 2021 are as follows:

	TOTAL				ADVOLIS				EY			
	2021		2020		2021		2020		2021		2020	
	AMOUNT	%										
Auditing												
<i>Certification and review of separate and consolidated financial statements</i>												
• Issuer	283	55%	237	54%	98	71%	91	91%	185	50%	146	43%
• Consolidated subsidiaries	200	39%	199	46%	35	25%	9	9%	165	44%	190	57%
Related services												
• Issuer	18	4%	-	0%	5	4%	-	0%	13	3%	-	0%
• Consolidated subsidiaries	10	2%	-	0%	-	0%	-	0%	10	3%	-	0%
TOTAL	511	100%	436	100%	138	100%	100	100%	373	100%	336	100%

Related services are those in connection with typical service delivered following the statutory auditors' assignment or any other special mission, in general, non-recurring and by contract.

9.3. Subsequent events

In order to take in account the instable geopolitical context generated by Ukrainian crisis, Gaumont's group led an analysis relating to its exposure. No significative exposure was revealed by this analysis and no other event likely to have a material impact on the consolidated financial statements set out above has occurred since December 31, 2021.



STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2021

To the Annual General meeting of Gaumont,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Gaumont for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1st 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Emphasis of Matter

We draw your attention to the following matter described in Note 1.3 "Changes to the IFRS accounting principles" to the consolidated financial statements relating to the impacts of the position of the IFRS IC on pensions calculation.

Justification of Assessments - Key Audit Matters

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 audits.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.



Valuation of films and audiovisual rights

Risk identified	<p>The feature films and animations, as well as audiovisual series produced or distributed by your group are fixed assets whose net amount totals €127.0 million in your group's consolidated financial statements as at December 31, 2021.</p> <p>Your group considers that the most appropriate way to reflect the gradual consumption of the economic benefits related to the films and audiovisual rights is to account for cost unit-based amortization, defined as the ratio of net proceeds acquired in the financial year to that of total forecast net proceeds over a maximum period of ten years as from the date of initial distribution.</p> <p>A residual value is attached to films that meet with widespread success when shown in cinemas and that present significant commercial potential beyond a ten-year period when your group considers that a film is likely to produce future economic benefits beyond that period.</p> <p>The uncertainty concerning the date for the re-opening of cinemas in France is a factor in the assessment of the box-office potential for films currently being made or already completed that are expected to be released in 2022.</p> <p>Consequently, the valuation of films and audiovisual rights depends on the estimates of future economic benefits, that are subject to regular updates and to uncertainty related to the global crisis resulting from the Covid-19 pandemic. We therefore considered these estimates to be a key audit matter.</p>
Our response	<p>Our work consisted in:</p> <ul style="list-style-type: none">• Testing the proper implementation of the rule for the calculation of amortization;• Verifying, through sampling, the items used to calculate future economic benefits, notably by reconciliation with the contractual clauses and by comparison to historical estimates;• Assessing, particularly in a context of uncertainty related to the global crisis resulting from the Covid-19 pandemic, the consistency of the estimates based on forecasts provided by the finance department and with respect to historical estimates, and performing, for films currently being made or already completed that are expected to be released in 2022, sensitivity analyses on the volume of ticket sales forecast for films being made as at year-end;• Assessing the appropriateness of the information provided in the notes to the consolidated financial statements.

Recognition of revenue

Risk identified	<p>As at December 31, 2021, your group's revenue is composed of licences and distribution royalties amounting to a total of €266 million.</p> <p>As stated in note 3.2. to the consolidated financial statements, your group's revenue is notably generated by transfers of rights and distribution royalties.</p> <p>Revenue is recognized according to different methods depending on the nature of your group's performance obligations and the rate of their fulfilment. When a contract includes several performance obligations, each one is treated separately.</p> <p>The diversity of the distribution channels, the rights opening periods and conditions of distribution are a source of complexity in the recognition of revenue, and each contract also contains indications that are specific to it.</p> <p>Consequently, we considered compliance with the criteria for the recognition of revenue related to licences and distribution royalties, excluding revenue from release in cinemas, to be a key audit matter.</p>
Our response	<p>Our work consisted in:</p> <ul style="list-style-type: none">• Documenting our understanding of the revenue recognition process;• Analyzing the contractual clauses for a sample of contracts, in particular the most significant new contracts in the period as well as special transactions, and assessing the criteria used by Management to recognize the associated revenue according to the distribution channels considered and on the basis of the rights opening periods and conditions of distribution;• Testing, through sampling, the reality and completeness of the revenue recognized with reference to contracts or external documents, and the recovery of trade receivables;• Analyzing the trend in revenue by activity compared to the previous year-end;• Testing the correct attachment of the revenue to the period for a sample of sales recognized in the period before and after year-end;• Reviewing the reconciliation of subledgers with the trial balance;• Reviewing manual entries and testing a sample based on amounts and/or estimated risk;• Assessing the appropriateness of the information provided in the notes to the consolidated financial statements, notably in respect of IFRS 15.



Measurement of disputes and contingent liabilities

Risk identified	Your group operates in a rapidly changing environment and a complex international regulatory framework. It is subject to considerable changes in legislation and in the application or interpretation of regulations and is involved in disputes arising in the normal course of its business. Your group exercises its judgement in the measurement of the risks relating to its disputes and, as stated in note 8 to the consolidated financial statements, it recognizes a provision when the expense resulting from these disputes is probable and the amount can be either quantified or estimated within a reasonable range. The main disputes that may have a significant impact on your group are recognized as liabilities or, depending on the case, constitute contingent liabilities as described in note 8 to the consolidated financial statements. We consider these disputes to be a key audit matter in view of the significance of the amounts involved and the degree of judgement required to determine any provisions.
Our response	Our work consisted in: <ul style="list-style-type: none">• Reviewing the procedures implemented by your group to identify all the risks and disputes;• Collecting the analysis elements of the group in order to measure the probability of occurrence and assess the amount of risk;• Comparing these analyses with confirmations obtained from lawyers;• Assessing your group's analysis of the risks as well as the assumptions on which the provisions are based, with respect to the corresponding documentation and, where applicable, written opinions from your group's external advisers. We also called upon the services of our legal experts for the more complex analyses;• Assessing the appropriateness of the information provided in the notes to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information given in the Board of Directors' Group management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements

Report on Other Legal and Regulatory Requirements

Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Gaumont by the annual general meeting held on May 2, 2005 for ADVOLIS and on May 3, 2011.

As at December 31, 2021, ADVOLIS was in its seventeenth year and ERNST & YOUNG et Autres in its eleventh year of total uninterrupted engagement.

Previously, ERNST & YOUNG Audit was statutory auditor from 1988.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.



The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a

requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris-La Défense, April 11, 2022

The Statutory Auditors

ADVOLIS

Hugues de Noray

ERNST & YOUNG et Autres

Béatrice Belle



INFORMATION ON CORPORATE OFFICERS

Operating Board members 92

Compensation of Corporate officers 101



OPERATING BOARD MEMBERS

Offices and functions held by the directors

NICOLAS SEYDOUX

Born on July 16, 1939

French national

Number of Gaumont shares held at December 31, 2021: 526

Voting rights at December 31, 2021: 1,052

Business address

30, avenue Charles de Gaulle

92200 Neuilly-sur-Seine

France

Biography

Graduate of the Paris *Institut d'Études Politiques* (IEP) and Bachelor's in law and economics. Head of the Legal Department at *Compagnie Internationale pour l'Informatique* (CII) in Paris (1967-1970), Financial Analyst at Morgan Stanley & Co. Inc. in New York (1970-1971), and Morgan & Cie International SA in Paris (1971-1974). Gaumont Group: Vice-Chairman and Chief Executive Officer (1974), Chairman and Chief Executive Officer (1975-2004), Chairman of the Supervisory board (2004-2010) and since May 6, 2010, Chairman of the Board of directors. Since 2002, Chairman of the ALPA (*Association de Lutte contre la Piraterie Audiovisuelle* – a society to combat audiovisual piracy). Since 2003, Vice-Chairman of the Supervisory board of Arte. Chairman of the *Forum d'Avignon* association (2008-2014). Chairman of the General meeting of shareholders of Arte GEIE (2016-2020) and since 2021, Vice-Chairman.

Family ties with another Board member

Father of Sidonie Dumas, Vice-Chairwoman of the Board of directors and Chief Executive Officer, father of Pénélope Seydoux and brother of Michel Seydoux, Board members.

Functions and offices held in Gaumont

- **Chairman of the Board of directors**

Term of Board member's appointment ends at the General Meeting called to approve the 2022 financial statements

- **Chairman of the Appointments and compensation committee**

Other functions and offices held in the Group

- **Chairman** of Ciné Par SAS, controlling shareholder of Gaumont

Other functions and offices held outside the Group

- **Chairman** of the ALPA (*Association de Lutte contre la Piraterie Audiovisuelle* – an association to combat audiovisual piracy)

- **Vice-Chairman of the General Meeting of shareholders** of Arte GEIE

- **Vice-Chairman of the Supervisory board** of Arte France SA

- **Member of the Management committee** of Les Cinémas Pathé Gaumont SAS

- **Chairman** of Grands vins de Pazac SCA

- **Director** of Val Richer SC

- **Board member** of the Fondation des diaconesses de Reuilly

Functions and offices ceased within the last five years

- **Chairman** of Fondation C Génial (end April 2021)

- **Chairman of the General Meeting of shareholders** of Arte GEIE (end 2020)

- **Board member** of Gaumont Television USA LLC (United States) (end March 2020)

- **Chairman** of Gaumont INC (United States) (end December 2018) and Gaumont Distribution INC (United States) (end December 2018)



SIDONIE DUMAS

Born on April 28, 1967

French national

Number of Gaumont shares held at December 31, 2021: 1,165

Voting rights at December 31, 2021: 2,330

Business address

30, avenue Charles de Gaulle
92200 Neuilly-sur-Seine

France

Biography

Sidonie Dumas swiftly embarked on a career in movies alongside Luc Besson.

In 2010, she was appointed Chief Executive Officer of Gaumont.

The company, which celebrated its 120th anniversary in 2015, is the oldest film production company in the world.

From *Don Giovanni* (Joseph Losey) to *Monsieur Gangster* (Georges Lautner), not to mention *Fantomas* (André Hunebelle), *The Dinner Game* (Francis Veber), *The Fifth Element* (Luc Besson), and countless other blockbusters, the company has been entertaining millions of viewers worldwide for decades.

Since her arrival at the helm of Gaumont, Sidonie Dumas has carried on the legacy preservation policy by systematically restoring films from the catalog, which includes more than 1,000 titles.

Pursuing the eclectic editorial line that defines the Gaumont brand, Sidonie Dumas has produced numerous box-office hits, including *Untouchable*, directed by Olivier Nakache and Eric Toledano and starring Omar Sy, winner of the César Award for Best Actor in 2012. It has alone brought together over 50 million viewers worldwide, becoming not only Gaumont's biggest hit, but also the second largest French blockbuster of all time.

Other films have earned her great awards such as *Me Myself and Mum* in 2015, or more recently, *See You Up There* which was also awarded five César awards, including Best Director, *C'est la Vie!*, *Rolling to You*, *Tout simplement noir* and *Bye Bye Morons*. All of these films produced by Sidonie Dumas and which were a huge success, with over a million box-office sales in France.

Within ten years, Sidonie Dumas set up subsidiaries in the United States, Germany and the United Kingdom and re-engages Gaumont in the production of series for historical television channels and platforms, thanks to series such as *Narcos* or, in 2021, *Lupin: in the Shadow of Arsène*, the first French series to make it to Netflix's Top ten with more than 70 million views. Sidonie Dumas has thus enabled the company to acquire a genuine international footprint.

Gaumont, through Sidonie Dumas and her teams, strives to develop an art form for which it has always been and still is one of the most ardent promoters.

Family ties with another Board member

Daughter of Nicolas Seydoux, Chairman of the Board of directors, sister of Pénélope Seydoux and niece of Michel Seydoux, Board members.

Functions and offices held in Gaumont

- **Board member and Vice-Chairwoman of the Board of directors**

Term of appointment ends at the General Meeting called to approve the 2022 financial statements

- **Chief Executive Officer** since May 6, 2010, appointed for an indefinite term

Other functions and offices held in the Group

- **Chairwoman** of GP Archives SAS, Gaumont Télévision SAS, Gaumont Animation SAS, Gaumont Vidéo SAS and Gaumont Studio Z SAS (since August 2021)

- **Board member and Chairwoman of Gaumont USA INC (United States)**

- **Director - Chief Executive Officer** of Gaumont LTD (United Kingdom)

- **Chief Executive Officer** of Gaumont Television USA LLC (United States), Gaumont Animation USA LLC (United States) and Gaumont Films USA LLC (United States)

- **Manager** of Editions la Marguerite SARL, Gaumont Production SARL, Gaumont Production Animation SARL and Gaumont Production Télévision SARL

- **Sole Director** de Gaumont SRL (Italy) (since September 2021)

Other functions and offices held outside the Group

- **Chairwoman** of the API (Association of Independent Producers)

- **Managing Partner** of Apar SC

- **Legal representative of Gaumont, Board member** of La cinémathèque française (an association that aims at preserving and promoting French film archives)

- **Member of the Supervisory board** of Banque Neuflize OBC SA

- **Board member** of the Forum des Images association

- **Member of the Board of directors** of the Canneseries-Affis association (since May 2021) and the Cannes Film Festival (June 2021)

- **Representative of Gaumont, Member of the Board of Trustees** of the Academy Museum of Motion Pictures (United States)

Functions and offices ceased within the last five years

- **Chief Executive Officer** of Gaumont Distribution TV LLC (United States) (end January 2021)

- **Member of the Management committee** of GP Archives SAS (end June 2020)

- **Director** of Havas SA (end April 2019) and Gaumont Television USA LLC (United States) (end March 2020)

- **Legal representative of Gaumont, Manager** of Gaumont Vidéo SNC (end March 2020)

- **Chairwoman** of Mitzé Films SAS (end May 2018) and CDG SAS (from March to September 2019)

- **Manager** of DD Catalogue SARL (end May 2018), Fideline Films SARL (end May 2018), Nouvelles Editions de Films SARL (end May 2018), Gaumont Animation Musique SARL (end July 2019), Mitzé Editions SARL (end July 2019) and Gaumont Musiques SARL (end December 2021)

- **Chairwoman** of the Bureau de Liaison des Industries Cinématographiques (BLIC) (from January 2017 to January 2018 and from January 2020 to January 2021)

- **Vice-Chairwoman** of Gaumont INC (United States) (end December 2018) and Gaumont Distribution INC (United States) (end December 2018)

- **Permanent representative of Gaumont, Member of the Management committee** of Les Cinémas Gaumont Pathé SAS (end May 2017)



ANTOINE GALLIMARD

Born on April 19, 1947

French national

Number of Gaumont shares held at December 31, 2021: 400

Voting rights at December 31, 2021: 800

Business address

5, rue Gaston Gallimard

75007 Paris

France

Biography

At the beginning of 1973, Antoine Gallimard joined the publishing house created in 1911 by his grandfather Gaston Gallimard and chaired as of January 1976 by his father, Claude.

Chief Executive Officer of Editions Gallimard (1981) and since 1988, Chairman and Chief Executive Officer.

Chairman of the *Syndicat national de l'édition* (2010-2012) and since 2012, Vice-Chairman.

Since 2012, Chairman of the association of *Petits champions de la lecture*, set up by the *Syndicat national du livre* to promote books and reading for children in elementary school.

Family ties with another Board member

None

Functions and offices held in Gaumont

- **Board member**

Term of appointment ends at the General Meeting called to approve the 2022 financial statements

- **Member of the Appointments and compensation committee**

Other functions and offices held in the Group

None

Other functions and offices held outside the Group

- **Board member, Chairman and Chief Executive Officer** of Madrigall SA and Editions Gallimard SA

- **Board member** of Groupe Eyrolles SA and Flammarion SA

- **Board member and Chairman** of Marigold SAS (formerly RCS Livres)

- **Chairman** of Mody-Dick NRF SAS (since December 2021)

- **Permanent representative** of Editions Gallimard SA on the Board of directors of POL Editeur SA and of Madrigall SA on the Board of directors of Mercure de France SA and Editions de Minuit SA (since December 2021)

- **Manager** of Le Square Librairie de l'Université SARL (since December 2021)

- **Manager** of SCI Immobilière d'Assas, SCI Charlaumar and SCI Les Huards

- **Member of the Supervisory board** of Electre SA and Sodefis SAS

- **Chairman** of the Bureau International de l'édition Française (BIEF)

- **Chairman** of the Association de développement de la librairie de création (ADELC)

Functions and offices ceased within the last five years

- **Permanent representative** of Magridall SA on the Board of directors of Éditions de la Table Ronde SA (end of 2017)



FÉLICITÉ HERZOG

Born on April 23, 1968

French national

Number of Gaumont shares held at December 31, 2021: 10

Voting rights at December 31, 2021: 20

Business address

42, avenue de Friedland

75008 Paris

France

Biography

Manager and director of companies in Paris. Graduate of the *Paris Institut d'Études Politiques* (IEP, 1991) and has an MBA from INSEAD (June 2000). Félicité Herzog began her career at Lazard Frères in Paris (1992) and New York (1993), before moving to JP Morgan in London (1996) and then Apax Ventures & Co, a London-based investment fund (1997). Partner at Madison Dearborn Partners (2000). Head of M&A at the Publicis Group in Paris (2002-2006). Head of development at the Areva group (2007) and then Deputy Chief Executive Officer of Technicatome, a subsidiary of Areva (2009-2013). Chairwoman of Apremont Conseil, a company specializing in strategy consultancy and mergers and acquisitions (2013-2019). Member of the Board of directors of Telecom Italia and of its Risk Control Committee (2015-2018).

Since September 2019, Strategy and Innovation Director at Vivendi group. Since 2018, Member of the Board of directors of the Paris Museum of Modern Art and of the Scientific Committee of *Dialogues franco-italiens pour l'Europe*. From June 2019 to June 2021, participates in the Strategic Committee of Capza, an investment fund supported by Axa.

Author of two novels, *Un héros* (Ed. Grasset, 2012) and *Gratis* (Ed. Gallimard, 2015), and one essay, *La France retrouvée* (Ed. Flammarion, 2017).

Family ties with another Board member

None

Functions and offices held in Gaumont

- **Board member**

Term of appointment ends at the General Meeting called to approve the 2021 financial statements

- **Member of the Audit committee**

Other functions and offices held in the Group

None

Other functions and offices held outside the Group

- **Board member** of Friends of the Paris Museum of Modern Art

- **Strategy and Innovation Director** at Vivendi group

Functions and offices ceased within the last five years

- **Chairwoman - Chief Executive Officer** of Apremont Conseil SAS (end 2019)

- **Member of the Board of directors** of Telecom Italia SPA (end 2018)

- **Member of the Risk and control committee** of Telecom Italia SPA (end 2018)



FLEUR PELLERIN

Born on August 29, 1973

French national

Number of Gaumont shares held at December 31, 2021: 10

Voting rights at December 31, 2021: 10

Business address

101, rue Réaumur

75002 Paris

France

Biography

Fleur Pellerin was born in Seoul in 1973. She was adopted in 1974 by a French family and grew up in the Paris region.

Graduate of the *École Supérieure des Sciences Économiques et Commerciales* (ESSEC), the Paris *Institut d'Études Politiques* (IEP), she joined the *Cour des comptes* after graduating from the *École Nationale d'Administration* (ENA) in 2000.

On May 16, 2012, Fleur Pellerin was appointed to the government of Jean-Marc Ayrault as Deputy Minister for SMEs, Innovation and the Digital Economy.

During her time at Bercy, she created the momentum for FrenchTech, introduced measures in favor of entrepreneurs, and worked to put digital technology at the core of government and State action.

On April 9, 2014, she became State Secretary for International Trade, Promotion of Tourism and French People Abroad, then Minister of Culture and Communication from August 26, 2014.

After leaving the government in February 2016, she resigned from the Public service and created Korelya Capital in September of that same year. With this investment fund, she mobilized €200 million, raised from the South Korean internet giant Naver and its subsidiary Line, to invest in European tech start-ups and help them grow by supporting in particular their international development.

Fleur Pellerin is an independent director of Schneider Electric, KLM, Talan, Devialet, Ledger, Stanhope Capital and SPAC I2PO. She also sits on the boards of various institutions and think tanks (Canneseries and Eurockéennes festivals, France Digitale).

Fleur Pellerin speaks English, German, Japanese and is learning Korean.

Family ties with another Board member

None

Functions and offices held in Gaumont

- **Board member**

Term of appointment ends at the General Meeting called to approve the 2023 financial statements

Other functions and offices held in the Group

None

Other functions and offices held outside the Group

- **Founder and CEO** of Korelya Capital SAS, Korelya Fondateurs SAS and Korelya Consulting SAS

- **Board member** of Schneider Electric SE, KLM SAS, Talan SAS, Devialet SA, Ledger SAS and Stanhope Capital SAS

- **Board member** of the Canneseries, Eurockéennes and France Digitale associations

- **Board member** of a I2PO SPAC, in the entertainment sector alongside François Henri Pinault, Iris Knobloch and Matthieu Pigasse (June 2021)

Functions and offices ceased within the last five years

- **Board member** of the Musée du Louvre endowment fund (end June 2021)

- **Board member** of the Institut Montaigne (end June 2021)



MICHEL SEYDOUX

Born September 11, 1947

French national

Number of Gaumont shares held at December 31, 2021: 580

Voting rights at December 31, 2021: 1,160

Business address

19, rue de la Trémouille

75008 Paris

France

Biography

Assistant to the Chairman of the Central Organization for Camps and Youth Activities (OCCAJ) (1968-1970). Since 1971, founder and Manager of the company Camera One. Former Chairman of Air Littoral Holding and Losc Lille football club (2002-2017). Since July 2002, Member of the Management board of Pathé.

Producer or co-producer of many films such as: *Fas in Fairbanks*, directed by Maurice Dugowson (1976), *Don Giovanni*, directed by Joseph Losey (1979), *Hôtel de France*, directed by Patrice Chéreau (1987), *Cyrano de Bergerac*, directed by Jean-Paul Rappeneau (1990), *Urga*, directed by Nikita Mikhalkov (1991), *Prospero's Book*, directed by Peter Greenaway (1991), *Toxic Affair*, directed by Philomène Esposito (1993), *Smoking and No Smoking*, directed by Alain Resnais (1993), *Anna: from Six till Eighteen* and *Burnt by the Sun*, directed by Nikita Mikhalkov (1994), *Same Old Song*, directed by Alain Resnais (1997), *The Barber of Siberia*, directed by Nikita Mikhalkov (1999), *René*, directed by Alain Cavalier (2002), *The Filmmaker*, directed by Alain Cavalier (2005), *Ambitious*, directed by Catherine Corsini (2006), *Leaving*, directed by Catherine Corsini (2008), *Irene*, directed by Alain Cavalier (2008), *Pater*, directed by Alain Cavalier (2011), *The Dance of Reality*, directed by Alejandro Jodorowsky (2013), *Le Paradis*, directed by Alain Cavalier (2014), *Le Caravage*, directed by Alain Cavalier (2015), *The Sense of Wonder*, directed by Eric Besnard (2015), *With Open Arms*, directed by Philippe de Chauveron (2016), *Six portraits XL*, directed by Alain Cavalier (2017), *Living and Knowing You're Alive*, directed by Alain Cavalier (2019) and *Heart of Oak* directed by Laurent Charbonnier and Michel Seydoux (2022).

Family ties with another Board member

Brother of Nicolas Seydoux, Chairman of the Board of directors, uncle of Sidonie Dumas, Vice-Chairwoman of the Board of directors and Chief Executive Officer and uncle of Pénélope Seydoux, Board member.

Functions and offices held in Gaumont

- **Board member**

Term of appointment ends at the General Meeting called to approve the 2022 financial statements

- **Member of the Appointments and compensation committee**

Other functions and offices held in the Group

None

Other functions and offices held outside the Group

- **Chairman** of MSI SAS

- **Member of the Management board** of Pathé SAS

- **Member of the Management committee** of Camera Winds SAS (since November 2021)

- **Manager** of Camera One SARL, FMS SNC, La Serdinierie SARL, Camera One Musique SARL and Cojumi SC (since July 2021)

- **Managing Partner** of Liberté 25 Citadelle SC

- **Board member** of Gestion du 14 Août INC, Productions Euréka! INC, 9184-1031 Québec INC and 9098-2158 Québec INC (Canada)

Functions and offices ceased within the last five years

- **Chairman** of Les Cabrettes SAS (end June 27, 2019), Citadelle Invest SAS (end September 17, 2020) and Socle SAS (end June 30, 2020)

- **Liquidator** of Socle SAS (from June 30 to October 15, 2020)

- **Manager** of JSI SC (end March 2018)

- **Member of the Management committee** of Gaya Rive Gauche SAS (end June 2017)

- **Chairman of the Board of directors** of Socle SA (end February 2017) and Losc Lille SA (end January 2017)

- **Member of the Supervisory board** of Grand Lille TV SAS (end February 2017)

- **Manager** of the SCI du Domaine de Luchin (end January 2017)

- **Board member** of the Groupement de Luchin GIE (end of January 2017)



PÉNÉLOPE SEYDOUX

Born on May 25, 1966

French national

Number of Gaumont shares held at December 31, 2021: 530

Voting rights at December 31, 2021: 1,060

Business address

Chemin de Haute Brise 1A

1012 Lausanne

Switzerland

Family ties with another Board member

Daughter of Nicolas Seydoux, Chairman of the Board of directors, sister of Sidonie Dumas, Vice-Chairwoman of the Board of directors and Chief Executive Officer and niece of Michel Seydoux, Board member.

Functions and offices held in Gaumont

- **Board member**

Term of appointment ends at the General meeting called to approve the 2022 financial statements

- **Member of the Audit committee**

Other functions and offices held in the Group

None

Other functions and offices held outside the Group

- **Manager** of La Fermière SARL (Switzerland)

Functions and offices ceased within the last five years

None

**MARC TESSIER**

Born on July 21, 1946

French national

Number of Gaumont shares held at December 31, 2021: 123

Voting rights at December 31, 2021: 246

Business address

10, rue de l'Arche

92400 Courbevoie

France

Biography

Graduate of the *École Polytechnique* and *École Nationale d'Administration* (ENA). Inspector of Finances (1971), Seminar Director at the *Paris Institut d'Études Politiques* (IEP) (1972-1974), then Mission Head at the Department for External Economic Relations (DREE) (1976-1978). Deputy to the General director of energy and raw materials at the Ministry for Industry (1978-1979) then Deputy Director of the Cabinet to André Giraud (Minister of Industry) (1980-1981). Chief Financial Officer of Havas (1982-1983), before becoming Chief Executive Officer (1983-1987). Chief Executive Officer of Canal+ (1984-1986), and later Advisor to the Chairman of Canal+ (1987-1989). Chief Executive Officer of the Company for the study and exploitation of satellite television (SEETS) (1987-1989), before becoming Chief Executive Officer of Canal+ International (1989-1993), and then Chief Executive Officer and Head of development at Canal+ (1993-1995). Chief Executive Officer of the French National Center for Cinematography (CNC) (1995-1999). Chairman of the Audiovisual and Telecommunications Institute in Europe (IDATE) (1998-2000). Chairman of France Télévisions then of France Télévisions group (1999-2005).

Since January 2006, various roles in Netgem SA's electronic media subsidiaries (Netgem Media Services, Glowria and Videofutur). Since November 2016, Advisor to the Chairman of Vitis, a subsidiary of Netgem SA.

Family ties with another Board member

None

Functions and offices held in Gaumont

- **Board member**

Term of appointment ends at the General Meeting called to approve the 2022 financial statements

- **Chairman of the Audit committee**

Other functions and offices held in the Group

None

Other functions and offices held outside the Group

- **Board member** of Société éditrice du Monde SA, Aquaboulevard SAS and Antenne Réunion group

- **Non-voting Board member** on the Board of directors of Groupe Rousselet SAS (ex-G7) and on the Board of directors of Netgem SA

- **Chairman of the Forum des Images association** and the France Film association

- **Manager with a controlling interest** of NJEE Productions SARL

Functions and offices ceased within the last five years

- **Vice-Chairman** of the Fondation de France (end December 2019)

- **Board member** of Ediradio SAS (RTL) (end of October 2017) and Netgem SA (end of January 2017)



JEAN TODT

Born on February 25, 1946

French national

Number of Gaumont shares held at December 31, 2021: 500

Voting rights at December 31, 2021: 1,000

Business address

2, rue des Granges

1204 Geneva

Switzerland

Biography

Former student of the EDC Paris Business School.

Rally co-driver (1966-1981). Peugeot: Founder of Peugeot Talbot Sport (1982), Director of Sports Activities for the PSA Peugeot Citroën Group (1990). Ferraris SPA: Head of Sporting Management of Ferrari (1993-2004), Head of all sporting activities for the Ferrari-Maserati group (2001), Chief Executive Officer of Ferrari SPA and CEO of the Group (2004-2008), Advisor to the Chairman of Ferrari (2008-2009). *Fédération Internationale de l'Automobile* (FIA): Chairman (2009-2021). Since 2015, Special Envoy of the United Nations Secretary-General for Road Safety.

Family ties with another Board member

None

Functions and offices held in Gaumont

- **Board member**

Term of appointment ends at the General Meeting called to approve the 2022 financial statements

Other functions and offices held in the Group

None

Other functions and offices held outside the Group

- **Founder member and Vice-Chairman** of the *Institut du Cerveau et de la Moelle épinière* (ICM)
- **Chairman of the Board of directors** of the SUU Foundation
- **Member of the Board of directors** of the International Peace Institute (IPI)
- **Member of the Public Affairs and Social Development through Sport committee** of the CIO
- **Board member** of the Ban Ki-moon Centre for Global Citizens
- **Member of the Board of directors** of Groupe Lucien Barrière SAS and Edmond de Rothschild SA

Functions and offices ceased within the last five years

- **Chairman** of the *Fédération Internationale de l'Automobile* (FIA) (end December 2021)
- **Member of the Board of directors** of the Friends of the Paris Museum of Modern Art (*Société des amis du Musée d'Art Moderne de la Ville de Paris*) (end 2018) and the FIA Foundation (end December 2021)
- **Member of the Advisory board** of Sotheby's International (end 2018)



COMPENSATION OF CORPORATE OFFICERS

Comprehensive report on 2021 compensation of corporate officers

2021 compensation of corporate officers and equity ratios

The compensation and benefits of any kind paid in 2021 or granted in respect of 2021 to corporate officers are in accordance with the compensation policy adopted by the General Meeting of May 6, 2021 in its fifth resolution (adopted with 97.61% of the votes for and 2.39% of the votes against), and are part of the company's long-term development strategy.



INFORMATION ON CORPORATE OFFICERS

COMPENSATION OF CORPORATE OFFICERS

The table below shows the total compensation and benefits of any kind, broken down by fixed, variable and exceptional components, paid to the corporate officers in 2021, or granted for fiscal year 2021.

(in euros)	TITLE	COMPENSATION ⁽¹⁾	2021			2020		
			AMOUNTS PAID IN 2021 ⁽³⁾	PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION	MAXIMUM AMOUNTS GRANTED FOR 2021	PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION	AMOUNTS PAID IN 2020 ⁽³⁾	PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION
Nicolas Seydoux	Chairman of the Board of directors	Fixed compensation	750,000	100%	750,000	100%	743,565	100%
	Chairman of the Appointments and compensation committee	Variable compensation ⁽²⁾	-	-	-	-	-	-
	TOTAL		750,000		750,000		743,565	
Sidonie Dumas	Chief Executive Officer	Fixed compensation	750,000	100%	750,000	100%	743,565	100%
	Board member	Variable compensation ⁽²⁾	-	-	-	-	-	-
	TOTAL		750,000		750,000		743,565	
Antoine Gallimard	Board member	Fixed compensation	15,500	60.8%	44,286	66.0%	15,500	60.8%
	Member of the Appointments and compensation committee	Variable compensation	10,000	39.2%	22,857	34.0%	10,000	39.2%
	TOTAL		25,500		67,143		25,500	
Félicité Herzog	Board member	Fixed compensation	15,500	64.4%	44,286	70.8%	15,500	60.8%
	Member of the Audit committee	Variable compensation	8,571	35.6%	18,286	29.2%	10,000	39.2%
	TOTAL		24,071		62,571		25,500	
Fleur Pellerin	Board member	Fixed compensation	-	-	20,571	69.2%	-	-
		Variable compensation	-	-	9,143	30.8%	-	-
	TOTAL		-		29,714		-	
Michel Seydoux	Board member	Fixed compensation	15,500	60.8%	44,286	66.0%	15,500	60.8%
	Member of the Appointments and compensation committee	Variable compensation	10,000	39.2%	22,857	34.0%	10,000	39.2%
	TOTAL		25,500		67,143		25,500	



(in euros)	TITLE	COMPENSATION ⁽¹⁾	2021				2020			
			AMOUNTS PAID IN 2021 ⁽³⁾	PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION	MAXIMUM AMOUNTS GRANTED FOR 2021	PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION	AMOUNTS PAID IN 2020 ⁽³⁾	PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION	MAXIMUM AMOUNTS GRANTED FOR 2020 ⁽³⁾	PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION
Pénélope Seydoux	Board member	Fixed compensation	15,500	60.8%	44,286	70.8%	15,500	67.4%	15,500	60.8%
	Member of the Audit committee	Variable compensation	10,000	39.2%	18,286	29.2%	7,500	32.6%	10,000	39.2%
	TOTAL		25,500		62,571		23,000		25,500	
Marc Tessier	Board member	Fixed compensation	19,000	68.9%	54,286	70.4%	19,000	65.5%	19,000	68.9%
	Chairman of the Audit committee	Variable compensation	8,571	31.1%	22,857	29.6%	10,000	34.5%	8,571	31.1%
	TOTAL		27,571		77,143		29,000		27,571	
Jean Todt	Board member	Fixed compensation	12,000	54.5%	34,286	65.2%	12,000	61.5%	12,000	54.5%
	Variable compensation		10,000	45.5%	18,286	34.8%	7,500	38.5%	10,000	45.5%
	TOTAL		22,000		52,571		19,500		22,000	
TOTAL ALL CORPORATE OFFICERS			1,650,143		1,918,857		1,635,130		1,637,273	

(1) Before social and tax deductions.

(2) The basis for calculating the variable compensation is comprised of the consolidated net income Group share, after income tax, excluding exceptional items. As the company did not make any profit, no variable compensation was granted for 2020.

(3) Board members' compensation takes into account the partial waiver by Board members of the compensation due to them in respect of 2020, amounting to two-thirds of the total amount voted by the GM of April 25, 2013.

The compensation allocated by the Board of directors to Board members for 2021 is subject to a provision over the period and paid the following year.

	COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS	COMPENSATION OF THE CHIEF EXECUTIVE OFFICER	AVERAGE EMPLOYEE COMPENSATION ⁽¹⁾	MEDIAN EMPLOYEE COMPENSATION ⁽¹⁾	MINIMUM WAGE
2021 (in euros)	750,000	750,000	63,924	47,000	18,654
Ratio 1	11.73	11.73			
Ratio 2	15.96	15.96			
Ratio 3	40.21	40.21			

Ratio 1 - Level of compensation of each executive officer and the average full-time equivalent compensation paid to company employees other than corporate officers.

Ratio 2 - Level of compensation of each executive officer and the median full-time equivalent compensation paid to company employees other than corporate officers.

Ratio 3 - Level of compensation of each executive officer and the minimum wage.

(1) 2021 compensation takes into account the partial activity related to the health crisis.



INFORMATION ON CORPORATE OFFICERS
COMPENSATION OF CORPORATE OFFICERS

(in euros)	2021	2020	2019	2018	2017
Compensation of the Chairman of the Board of directors	750,000	743,565	750,000	750,000	914,449
Ratio 1	11.73	11.81	13.78	14.34	16.30
Ratio 2	15.96	17.10	18.19	18.75	22.02
Ratio 3	40.21	40.25	41.09	41.71	51.48
Compensation of the Chief Executive Officer	750,000	743,565	750,000	750,000	918,597
Ratio 1	11.73	11.81	13.78	14.34	16.38
Ratio 2	15.96	17.10	18.19	18.75	22.12
Ratio 3	40.21	40.25	41.09	41.71	51.71
Compensation of Board members ⁽¹⁾	150,143	148,000	460,000	460,000	460,000
Ratio 1	2.35	2.35	8.45	8.79	8.20
Ratio 2	3.19	3.40	11.16	11.50	11.08
Ratio 3	8.05	8.01	25.20	25.58	25.90
Average employee compensation ⁽²⁾	63,924	62,947	54,415	52,312	56,088
Median employee compensation ⁽²⁾	47,000	43,495	41,234	40,000	41,523
Minimum wage	18,654	18,473	18,255	17,982	17,763
NET INCOME OF GAUMONT SA	-5,836,105	8,175,659	-30,222,852	8,065,410	295,823,029

Ratio 1 - Level of compensation of each of the executive officers and Board members and the average full-time equivalent compensation paid to company employees other than corporate officers.

Ratio 2 - Level of compensation of each of the executive officers and Board members and the median full-time equivalent compensation paid to company employees other than corporate officers.

Ratio 3 - Level of compensation of each executive officer and Board member and the minimum wage.

(1) 2021 compensation takes into account the partial waiver by Board members of the compensation due to them in respect of 2020, amounting to two-thirds of the total amount voted by the GM of April 25, 2013.

(2) 2021 compensation takes into account the partial activity related to the health crisis.



Cumulative employment contract and corporate office

The Chairman and the Chief Executive Officer have not held both an employment contract and corporate office since 2008.

Termination benefits - Supplementary pension plan

As of December 31, 2021, executive corporate officers did not benefit from any supplementary pension plan or specific termination of office cover.

Corporate officers did not benefit from any golden hello or golden handshake.

TITLE		TERM OF APPOINTMENT STARTED TERM OF APPOINTMENT ENDS	EMPLOYMENT CONTRACT	SUPPLEMENTARY PENSION PLAN	NON-COMPETE PAYMENTS	TERMINATION BENEFITS
Nicolas Seydoux	Chairman of the Board of directors	05.06.10 2022 GM	no	no	no	no
Sidonie Dumas	Chief Executive Officer	05.06.10 indefinite	no	no	no	no

Share purchase or subscription options

The conditions of the allocation of stock options of the plans put in place by the Board of directors are compliant with recommendation No. R21 of the Middlenext code against the excessive concentration of stock options on managers and against allocating options to executive corporate officers when they leave.

The conditions for the exercise and final allocation of options do not include performance conditions after the initial grant date, and for all beneficiaries whether they are executive officers, corporate officers or other employees. As the exercise and allocation for executive officers is carried out according to conditions identical as those for other employees, the exercise and final allocation of these options are not subject to future performance conditions.

During 2021, no share purchase or subscription options were granted to corporate officers of Gaumont SA or any of its subsidiaries.

As a reminder, Ms. Sidonie Dumas benefits from options giving the right to subscribe for shares, as part of the stock option plans instituted by the company from February 1996 to February 2005.

During 2021, Ms. Sidonie Dumas did not exercise any options.



Free shares and performance shares

The Group shall not grant any free shares or performance shares in favor of the corporate officers.

Maximum Board members' compensation

The compensation allocated to Board members was set by the General Meeting of April 25, 2013 at €460,000 for fiscal year 2013 and subsequent years, until decided otherwise by the General Meeting.

The terms and conditions of compensation allocation are approved by the Board of directors.

At its meeting on May 16, 2017, the Board of directors decided to allocate compensation to non-voting Board members under the same terms and conditions as that of conventional Board members.

For the 2021 fiscal year, in accordance with the compensation policy for corporate officers approved by the Board of directors on March 11, 2021 and approved by the General Meeting of May 6, 2021, the breakdown of the Board members' compensation base of €460,000 is as follows:

- €240,000 distributed equally among all members of the Board, excluding the Chairman of the Board of directors and the Chief Executive Officer, who do not receive any compensation for their Board member office;
- €160,000 distributed among the members according to their actual attendance at Board meetings; sums not allocated due to the absence of a Board member are not reallocated to the other Board members;
- €20,000 for committee chairpersons based on their responsibility, i.e. €20,000 allocated to the Chairman of the Audit committee;
- €40,000 distributed equally among the members of the Appointments and compensation committee and the Audit committee (excluding the chairpersons).

The compensation which is allocated by the Board of directors to its members once the General Meeting has approved the financial statements is booked over the period and paid the following year.

Other

No compensation was paid to corporate officers by the controlled or controlling companies within the meaning of Article L. 233-16 of the French Commercial code.

Shareholder approval

This comprehensive report on the compensation and benefits of any kind paid in 2021, or granted for 2021, to all Gaumont corporate officers will be put to vote at the General Meeting of shareholders on May 5, 2022.

SIXTH RESOLUTION (DRAFT)

Approval of the information on the compensation of corporate officers set out in paragraph I of Article L. 22-10-9 of the French Commercial code

The General Meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, in accordance with Article L. 22-10-34 I of the French Commercial code, having read the Board of directors' report provided for by Article L. 225-37 of the French Commercial code, approves the information set out in paragraph I of Article L. 22-10-9 of that same Code included in said report (see 2021 Universal registration document).

If this resolution is not approved, compensation payments to Board members will be suspended.



Components of compensation and benefits of any kind paid in 2021 or allocated for 2021 to executive officers

Components of executive officers' compensation in 2021

The table below shows the fixed, variable and exceptional components of the total compensation and benefits of all types paid in 2021, or allocated for 2021, to the Chairman of the Board of directors and the Chief Executive Officer, based on the principles and criteria approved by the General Meeting of May 6, 2021 by a vote on the fifth resolution.

(in euros)	TITLE	COMPENSATION ⁽¹⁾	2021		2020	
			AMOUNTS PAID IN 2021	AMOUNTS ALLOCATED FOR 2021	AMOUNTS PAID IN 2020 ⁽³⁾	AMOUNTS ALLOCATED FOR 2020 ⁽³⁾
Nicolas Seydoux	Chairman of the Board of directors	Fixed compensation	750,000	750,000	743,565	743,65
		Variable compensation ⁽²⁾				
TOTAL			750,000	750,000	743,565	743,565
Sidonie Dumas	Chief Executive Officer	Fixed compensation	750,000	750,000	743,565	743,565
		Exceptional premium				
		Variable compensation ⁽²⁾				
		Allocation of stock options				
TOTAL			750,000	750,000	743,565	743,565

(1) Before social and tax deductions.

(2) The basis for calculating the variable compensation is comprised of the consolidated net income Group share, after income tax, excluding exceptional items.

(3) The amounts take into account the discount sustained by the company's senior management as a result of the partial activity related to the health crisis.



INFORMATION ON CORPORATE OFFICERS COMPENSATION OF CORPORATE OFFICERS

No other compensation components or benefits of any type were paid during 2021, or allocated for the same period, to Mr. Nicolas Seydoux or Ms. Sidonie Dumas.

Shareholder approval

This comprehensive report on the compensation and benefits of any kind paid in 2021, or granted for 2021, to executive officers will be put to vote at the General Meeting of shareholders on May 5, 2022.

SEVENTH RESOLUTION (DRAFT)

Approval of the fixed, variable and special components comprising the total compensation and benefits of any kind paid to the Chairman of the Board of directors in 2021 or allocated to him in respect of that fiscal year

The General Meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, in accordance with Article L. 22-10-34 II of the French Commercial code, and having read the Board of directors' report provided for by Article L. 225-37 of the French Commercial code, approves the fixed, variable and special components comprising the total compensation and benefits of any kind presented in the abovementioned report and paid in 2021 or allocated to the Chairman of the Board of directors in respect of that fiscal year (see 2021 Universal registration document).

EIGHTH RESOLUTION (DRAFT)

Approval of the fixed, variable and special components comprising the total compensation and benefits of any kind paid to the Chief Executive Officer in 2021 or allocated to her in respect of that fiscal year

The General Meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, in accordance with Article L. 22-10-34 II of the French Commercial code, and having read the Board of directors' report provided for by Article L. 225-37 of the French Commercial code, approves the fixed, variable and special components comprising the total compensation and benefits of any kind presented in the abovementioned report and paid in 2021 or allocated to the Chief Executive Officer in respect of that fiscal year (see 2021 Universal registration document).

The vote of these two resolutions is a condition for the payment of variable and special compensation to the Chairman of the Board of directors and the Chief Executive Officer for the 2021 fiscal year (in the present case, no such compensation has been granted to them in 2021).



SHARE CAPITAL AND SHAREHOLDERS

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SHAREHOLDERS

Shareholders holding over 5% of voting rights and treasury shares

Change in shareholding over the last three years

SHAREHOLDERS	12.31.21				12.31.20				12.31.19			
	BREAKDOWN OF SHARE CAPITAL		BREAKDOWN OF VOTING RIGHTS		BREAKDOWN OF SHARE CAPITAL		BREAKDOWN OF VOTING RIGHTS		BREAKDOWN OF SHARE CAPITAL		BREAKDOWN OF VOTING RIGHTS	
	NUMBER	%										
Ciné Par	2,798,628	89.70	5,563,256	94.33	2,798,628	89.70	5,563,256	94.33	2,798,628	89.70	5,563,256	94.27
Public	316,446	10.14	334,754	5.68	316,446	10.14	334,696	5.67	316,446	10.14	338,201	5.73
Shares held by Gaumont SA	4,849	0.16	-	-	4,849	0.16	-	-	4,849	0.16	-	-
TOTAL	3,119,923	100.00	5,898,010	100.00	3,119,923	100.00	5,897,952	100.00	3,119,923	100.00	5,901,457	100.00

To Gaumont's knowledge, no shareholder other than those mentioned in the above table held directly, indirectly or together more than 5% of the share capital or voting rights.

Gaumont is unable to estimate the exact number of its shareholders to date. At December 31, 2021, the number of registered shareholders was 86.

At December 31, 2021, Gaumont held 4,849 treasury shares, including 4,649 shares with a par value of €8 under its liquidity contract and 200 registered shares, representing a total investment of k€257. These shares constituted 0.16% of the share capital and carried no voting rights or dividend rights.

No controlled entity owns Gaumont shares.

Significant events that had an impact on shareholding structure during the last three years

To Gaumont's knowledge, no event that had an impact on shareholding has occurred since 2019 and the date of this report.

Breaching of shareholding thresholds

To Gaumont's knowledge, no thresholds were crossed in 2021 and up to the date of this report.



Trading in Gaumont's own shares

To ensure the Gaumont share continues to be liquidly traded and regularly quoted on the market, the Group has a counterparty account with broker Exane BNP Paribas under a liquidity contract, which was signed on July 1, 2010, for a one-year period and is tacitly renewable. The initial contributions of k€300 were supplemented by an additional k€100 in November 2010.

The liquidity contract is managed by Exane BNP Paribas, which is authorized to assess the need to intervene in the market solely for:

- facilitating the listing of the shares;
- improving the distribution of the share ownership;
- improving the security's liquidity in the market.

At December 31, 2021, resources allocated to this contract included 4,649 treasury shares and k€16 in cash.

In addition, at December 31, 2021, Gaumont held 200 registered treasury shares.

In 2021, Gaumont carried out the following transactions on its treasury shares:

	2021	2020
Number of shares purchased	-	-
Average purchase price	-	-
Number of shares sold	-	-
Average sale price	-	-
Trading fees	-	-
Number of shares held on December 31	4,849	4,849
Value of shares held on December 31	€257,519	€257,519
Percentage of share capital held on December 31	0.16%	0.16%
Par value of shares	€8	€8

Employee and executive shareholding

Executive shareholders

To Gaumont's knowledge, the Board members together directly held 3,844 shares, representing 0.12% of the company's share capital and 0.13% of the company's voting rights as of December 31, 2021.

Trading in the company's shares by executive officers and directors

To Gaumont's knowledge, no trading in shares of the company was carried out by Gaumont's executive officers in 2021.

Employee shareholders

To Gaumont's knowledge, none of its employees held shares at December 31, 2021.

To Gaumont's knowledge, there is no savings plan or fund invested in the company's shares for the benefit of its current or former employees.

Dividend policy

The distribution policy in relation to future dividends is based on various criteria, in particular, the company's investment requirement, its financial position and market practices.

Unclaimed dividends are forfeited five years after they become payable, as provided by Article 2224 of the French Civil code (*Code civil*). Such unpaid dividends are paid to the French Treasury, pursuant to Article L. 1126-1 of the French State Property code (*Code général de la propriété des personnes publiques*).

Gaumont paid out the following dividends for the last five years:

YEARS	NUMBER OF SHARES PAID ⁽¹⁾	DIVIDENDS PAID FOR THE PERIOD (in euros)		
		NET	TAX ASSET	TOTAL
2016	3,114,575	1.00	-	1.00
2017	3,115,047	1.00	-	1.00
2018	3,115,074	1.00	-	1.00
2019	-	-	-	-
2020	-	-	-	-

(1) Excluding treasury shares at payment date.



Factors likely to have an impact in the event of a public offering

Reference shareholders

Gaumont's reference shareholder is Ciné Par, controlled by Ms. Sidonie Dumas since October 2, 2017, who holds 89.70% of the share capital and 94.32% of the voting rights at December 31, 2021.

At the date of this report, the presence of independent members on the company's Board of directors (five out of the nine Board members) and the fact that certain decisions are submitted to the Board of directors for prior approval, ensure that the control of the company is lawfully exercised. In particular, the Board's prior approval is required for certain transactions carried out by Executive management, the details of which are provided in the Information on corporate officers section.

Shareholders' agreements

To Gaumont's knowledge, there is no agreement between shareholders (in particular between executive officers) that could limit the transfer of shares and the exercise of voting rights.

Pledging of shares

To Gaumont's knowledge, no Gaumont shares were pledged as collateral as of December 31, 2021.

Changes in share capital and share rights

Any change in the share capital or the rights attached to each share is subject to compliance with applicable laws. The bylaws do not place any conditions or restrictions on such transactions.

Gaumont agreements with a specific change of control clause

To Gaumont's knowledge, the material agreements that are amended or that terminate in the event of a change of control of the company are as follows:

- a bond for a total of k€60,000, maturing on November 14, 2021 and November 14, 2024;
- a memorandum of investment regarding Entourage Pictures, for the financing of French-language films produced or co-produced by Gaumont, signed on July 19, 2016 with a completion date of January 6, 2017, for a period of five years;
- credit agreements for an aggregate principal amount of k€125,000, signed on May 31, 2021, for the partial refinancing of the bond issue maturing in November 2021 and for the financing or refinancing of the development of subsidiary activity, the general needs of the company and its subsidiaries and the Euro PP 2021 and Euro PP 2024 bonds.



INFORMATION ON SHARE CAPITAL

Change in Gaumont SA share capital

At December 31, 2021, Gaumont's share capital was €24,959,384. It is comprised of 3,119,923 shares, each with a par value of €8, all fully paid up and of the same category.

In all, there were 5,898,010 voting rights attached to shares, including 2,778,087 shares with double voting rights.

Gaumont had not issued any securities other than equity securities.

Potential capital

At December 31, 2021, 24,151 shares could potentially be issued upon the exercise of stock options granted to employees of Gaumont and other affiliated companies.

All 24,151 exercisable options received an exercise price lower than the average listed price for the period and showed a dilutive effect equivalent to 11,867 shares as of December 31, 2021.

The following table shows the effects on capital and earnings per share of exercising all the options that are dilutive.

	2021	2020
Average number of shares	3,119,876	3,119,876
Consolidated net income attributable to owners of the parent <i>(in thousands of euros)</i>	1,040	-16,773
Net income per share (in euros)	0.33	-5.38
Number of stock options with a dilutive impact	11,867	11,550
Average potential number of shares	3,131,743	3,131,426
Diluted net income per share (in euros)	0.33	-5.36
Percentage of dilution <i>(in %)</i>	0.38	0.37



History of stock option plans

Since December 1987, Gaumont has set up eight stock option plans for some of its employees, and in particular its managing executives, except for the Chairman of the Board of directors who does not receive any plan.

Stock option plans outstanding at the end of the period

Table 8 of the AMF recommendation No. 2014-14

Plans I and II expired December 2, 2002 and December 22, 2003, respectively.

All options granted under the plans III, IV and VII were fully exercised.

Plans V, VI and VIII were still outstanding as of December 31, 2021. They have the following characteristics:

	PLAN V	PLAN VI	PLAN VIII
Date of General meeting	06.02.94	04.25.96	04.29.04
Grant date	02.15.96 ⁽¹⁾	03.12.98 ⁽¹⁾	02.28.05 ⁽²⁾
Type of option	Subscription	Subscription	Subscription
Starting date of exercise of options	02.15.01	03.12.03	02.28.09
Expiry date	02.14.46	03.11.48	02.27.49
Initial exercise price (<i>in euros</i>)	€50.31	€64.03	€64.00
Adjusted exercise price (<i>in euros</i>)	€43.77	€55.70	€55.79
Total number of options granted	104,000	168,000	196,750
Total adjusted number of options granted	119,683	193,341	226,534
Aggregate number of options canceled at 12.31.21	47,184	100,164	103,943
Aggregate number of options exercised at 12.31.21	71,347	90,873	101,896
NUMBER OF SHARES OUTSTANDING AT 12.31.21	1,152	2,304	20,695
Including number of options that corporate officers may subscribe to	-	-	20,695
• Sidonie Dumas	-	-	-
Including the number that may be subscribed to by the top ten employees with the highest number of options granted ⁽³⁾	-	-	-

(1) *Board of directors.*

(2) *Management Board.*

(3) *When more than ten employees are concerned in equal terms, the number specified takes account of all concerned parties (including individuals who left the Company).*

Number of options held by top ten employees of the company granted the largest number of options

Table 9 of the AMF recommendation No. 2014-14

During 2021, no share purchase or subscription options were granted to employees of Gaumont SA or of its subsidiaries. At January 1, 2021, the ten employees who received the highest number of options no longer held any exercisable stock options.



Delegations of authority granted by the General Meeting to the Board of directors for capital transactions

	CURRENT AUTHORIZATIONS			USE OF AUTHORIZATION IN 2021	PROPOSED AUTHORIZATIONS TO THE GENERAL MEETING OF MAY 5, 2022		
	GM (RESOLUTION NO.)	TERM (EXPIRY DATE)	AMOUNT OR MAXIMUM CAP		RESOLUTION NO.	TERM	MAXIMUM CAP
Increase in share capital⁽¹⁾							
By issuing shares, securities or marketable securities with shareholder pre-emption rights	GM of 05.06.21 (13)	26 months (07.05.23)	k€15,000	Not used			
By capitalization of reserves, profits or premiums	GM of 06.16.20 (18)	26 months (08.15.22)	k€15,000	Not used	(12)	26 months	k€15,000
Reserved to employees of the Group, members of the company savings plan	GM of 06.16.20 (19)	26 months (08.15.22)	200,000 shares	Not used	(13)	26 months	200,000 shares
Company's purchase of its own shares							
Company's purchase of treasury shares ⁽²⁾	GM of 05.06.21 (9)	18 months (11.05.22)	k€23,399	Not used	(9)	18 months	k€23,399
Reduction of share capital by cancellation of treasury shares	GM of 05.06.21 (11)	18 months (11.05.22)	10% of share capital as of the date of the GM	Not used	(11)	18 months	10% of share capital as of the date of the GM
Stock option plans							
Grant of share subscription and/or purchase options ⁽³⁾	GM of 05.06.21 (12)	38 months (07.05.24)	Legal limit ⁽⁴⁾	Not used			

(1) Share capital capped at an overall nominal amount of k€15,000.

(2) Within the limit of 10% of the number of shares of the company's share capital at the time of purchase.

(3) For employees and corporate officers of the company and/or those affiliated with it.

(4) Articles L. 225-182 and R. 225-143 of the French Commercial code: the total amount of the options awarded and not exercised cannot exceed one third of the share capital.



Share capital increases by the issue of shares, stock or securities and by capitalization of reserves, profits or premiums

These delegations of authority are granted by the General Meeting to the Board of directors in order to:

- issue, in one or more installments, while maintaining the preemptive rights of the shareholders, shares or marketable securities giving access to capital securities to be issued, limited to k€15,000;
- conduct a share capital increase, in one or more installments, by capitalization of reserves, profits or premiums, followed by the creation and free grant of equity securities or elevating the par value of the existing capital securities, or a combination of these two modes, limited to k€15,000.

The objective of these delegations is to enable the company to conduct all issues of marketable securities to quickly and flexibly gather the necessary financial means.

All issuances of shares, equity securities or other marketable securities is capped at a global par value of k€15,000.

The delegation of authority granted to the Board of directors to increase the share capital by issuing shares, securities or marketable securities, with preemptive rights for shareholders, was renewed by the General Meeting of May 6, 2021 for a period of 26 months.

As the delegation of authority granted to the Board of directors by the General Meeting of June 16, 2020 to increase the share capital by incorporation of reserves, profits or premiums will expire on August 15, 2022, it will be proposed to the General Meeting of May 5, 2022 to renew it for a term of 26 months.

Capital increase reserved for employees who are members of the company savings plan

In application of Article L. 225-129-6 of the French Commercial code, it will be proposed to the General Meeting of May 5, 2022 to grant authorization to the Board of directors, for a term of 26 months, to conduct a share capital increase, limited to 200,000 shares, with waiver of preemptive rights for shareholders in favor of the employees of the company and/or those affiliated with it, under the conditions set forth by Article L. 225-180 of the French Commercial code, who are members of the company savings plan and under the conditions set by Articles L. 3332-18 et seq. of the French Labor code.

Company's purchase of its own shares

The General Meeting of May 6, 2021 renewed, for a term of 18 months, the authorization given to the Board of directors to purchase shares of the company within the maximum limit of 10% of the number of shares that comprise the company's share capital at the time of the purchase, within the limit of k€23,399 and for a maximum authorized unit price of €75.

In accordance with the legislative and regulatory provisions in force, this authorization was granted to the Board of directors to:

- stimulate trading in or the liquidity of the shares via an investment service provider through a liquidity contract in accordance with the market practice accepted by the French financial markets authority (AMF - *Autorité des marchés financiers*);
- holding and using the shares at a later date in payment or exchange within external growth transactions as permitted by the AMF;
- grant shares to employees and/or corporate officers (under the conditions and according to the terms set forth by law), particularly under a stock option plan, free share awards, or an employee savings plan;
- grant shares to holders of securities convertible to the company's share capital when they exercise the rights attached to those securities, in accordance with regulations in effect;
- the potential cancellation of shares acquired.

As this authorization will expire on November 5, 2022, it will be proposed to the General Meeting on May 5, 2022 to renew it for a term of 18 months, within the limit of k€23,399, for a maximum unit price of €75 per share (excluding acquisition costs).

Grant of share subscription or purchase options

The General Meeting of May 6, 2021 has renewed, for a term of 38 months, the authorization given to the Board of directors to grant, in one or more installments, stock options of the company in favor of those that it shall appoint from among the staff members and executive corporate officers of the company or those affiliated with it, under the conditions set forth by Article L. 225-180 of the French Commercial code.

At December 31, 2021, 24,151 shares could potentially be issued upon the exercise of stock options granted to employees of Gaumont and other affiliated companies.



ADDITIONAL INFORMATION

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FINANCIAL DISCLOSURE TIMETABLE

Publication of the financial statements

March 10: 2021 full-year results

September 15: 2022 half-year results

General Meeting of shareholders

May 5: Combined Ordinary and Extraordinary General Meeting called to approve the financial statements for the year ended December 31, 2021



ADDITIONAL INFORMATION

PERSONS RESPONSIBLE FOR INFORMATION

PERSONS RESPONSIBLE FOR INFORMATION

Person responsible for the Universal registration document

Name and title of the person responsible for the Document

Sidonie Dumas

Chief Executive Officer

Certificate

I certify that, to my knowledge, the information contained in this Universal registration document is consistent with the facts and does not contain such omissions as may adversely affect its scope.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of Gaumont and all entities included in the consolidated group, and that the management report, for which the reconciliation table is presented in page 220 of the french version of the Universal registration document, provides a true and fair view of the business trends, results and financial position of the company and all entities included in the consolidated group, together with a description of the main risks and uncertainties that they face.

Neuilly-sur-Seine, April 13, 2022

Sidonie Dumas
Chief Executive Officer



Persons responsible for auditing

Statutory auditors

ADVO LIS

- Member of the *Compagnie régionale de Paris*
- Address: 13, avenue de l'Opéra 75002 Paris
- Represented by Hugues de Noray
- First appointment: General Meeting of May 2, 2005, taking over from KPMG, formerly RSM Salustro Reydel

ERNST & YOUNG ET AUTRES

- Member of the *Compagnie Régionale de Versailles*
- Address: 1-2, place des Saisons 92400 Courbevoie - Paris-La Défense 1
- Represented by Béatrice Belle
- First appointment: General Meeting of May 3, 2011, taking over from Ernst & Young Audit

Person responsible for financial information

Sami Tritar

Chief Financial Officer

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