Gaumont
born with cinema

2022 UNIVERSAL REGISTRATION DOCUMENT

Annual report

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2022
ANNUAL REPORT

AUTORITÉ
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MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

2022, a "*normal*" year: no one would dare tell an athlete whose training time had been slashed in half to climb to the top of Everest or descend into the Mariana Trench, and to do it in the same time achieved before the crisis.

But no-one forbids this in the cinema industry... Cinema involves shooting sets that by nature entail close proximity to others, movie theaters that offer vision and sound qualities far superior to those that most people can provide at home, films that attract people, and people who prefer to watch films in the company of others on a big screen than alone on a small one.

The closure of movie theaters, considered by the public authorities as non-essential, on the not insignificant equivalent of half the days in 2020 and 2021, *i.e.*, 300 days in France, did not affect movie theaters although the impossibility of forecasting closing dates prevented even minor work from being carried out…

Film sets were for the most part canceled for six months and were strictly regulated with stringent rules for 18 months, leading to rescheduling, with consequences that were generally more than just financial.

Independently of the activity on film shootings, the release schedule was thrown into disarray: distributors, starting with the managers of the biggest films in terms of box office, who hesitated, to put it mildly, to release films in a lethargic market, thus prolonging the apathy.

Lastly, the public: after six months of cinema bans, some of which were effectively exit bans, with the explosion of both legal and illegal downloads for two years and people getting used to the proliferation of images at home, how would people quickly become cinephile again?

In this context we're seeing a recovery, of course, but a difficult and complex recovery, although France is doing significantly better than its neighbors. Nevertheless, a decrease in audience of nearly 30% affected all movie theaters and all films.

During this time, while overall they were benefiting from a booming market, the platforms devoured each other, each one wanting to catch up with the leader, Netflix, and the latter stumbling on a forecasting error of two thousandths… During this time, the major studios changed their management one after another and canceled series in the same way that regulars at the corner café change their betting favorite at the last moment.

In this complex environment, Gaumont has suffered in particular from the cancelation of a substantial number of American series. At the beginning of April 2023, it would be an exaggeration to say that the skies have completely cleared.

On the other hand, in Europe and particularly in France, television production seems to be on the right track.

While the box office has not returned to the - exceptional - levels of 2019, it is showing encouraging signs thanks to the release of major, long-awaited films.

2023 will be another year of transition and cannot be anything else. Subject to administrative decisions more concerned with protecting the small players who are unlikely to benefit than favoring champions who encourage others behind them, the year is expected to demonstrate the resilience of French cinema.

Nicolas SEYDOUX, April 11, 2023

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The first half of 2022 was not the simplest, either nationally or internationally.

In France, because of the Omicron variant sales of sweets being banned in movie theaters since January for an indefinite period, which has ostensibly slowed down the return of the public.

The absence of American films, which returned to screens in a slow trickle, has accentuated the very tense situation in the movie theater market.

Films had a difficult year!

Internationally, some platforms have cancelled series by dozen. The feature film and audiovisual industry is continuing its transformation very laboriously. Major questions remain as to the sustainability of movie theaters as well as the reliability, even the viability of platforms.

Gaumont is suffering the consequences.

Films stumbled around to find their audience. Only two films really stood out: *Heart of Oak* and *Natural Born Liar*. In this challenging context, the export of our films and catalog sales are doing reasonably well.

We have series that, while they are in development, or even in preparation, simply come to a halt at the request of their sponsor. Nevertheless, in 2022 we delivered eleven series.

Despite sustained activity in all our areas, Gaumont's results show a loss.

Starting in the holidays of All Saints, thanks to a more attractive offer, movie theaters began to perk up. This continued at Christmas, and through today, when attendance has returned to levels that are no longer a million miles off those of 2019.

My conviction is that movie theaters will weather the storm. Audiences have become more and more demanding because they have a plethora of films and series from which to choose. When they decide to go to the movie theater, it is not by chance, they don't want to get it wrong, they want to see a high-quality feature film. The price of movie theater tickets is not an obstacle, as we have sometimes heard.

The onslaught of new platforms has not made for plain sailing. Former studios whose business models are changing, such as Warner, Disney, Paramount, Universal and Co, are trying to find their cruising speed.

For the past three years, the world has been shaken up by an insane health crisis, a war in Europe, rampant inflation, and political discontent. More than ever, women, children and men want to be entertained.

Telling stories, whatever the medium, is Gaumont's core business. This does not happen smoothly, but it is a strategy that we have been implementing for several years now, and in which I still firmly believe.

Sidonie DUMAS, April 15, 2023

1 OVERVIEW OF THE MAIN OPPORTUNITIES AND RISKS

OUTLOOK AND STRATEGIC DIRECTION

Audiovisual platformization: a disruptive model for all players

While global platforms had previously benefited from continued growth in their subscriber base, accelerated by successive lockdowns related to COVID-19, the global surge in inflation has clearly led to a contraction in household purchasing power and households making trade-offs within their own leisure expenses.

As an immediate consequence, this slowdown in the growth of the subscriber base resulted in a penalty on the financial markets in relation to the share prices of players involved in a frenzy of investment in works. At the same time, the traditional players whose business model is mainly based on the marketing of advertising space on their channels have also suffered the effects of a slowdown in the global growth of their advertising customers.

In any case, the platformization of the audiovisual sector is inevitable, because it is enabled by technology and popular in terms of use.

The continued deployment of very high-speed fixed fiber networks, and “5G” mobile networks enables consumers to free themselves from modes of access to programs between the historical straight-line world and the more recent one of on demand platforms: “where I want, when I want, what I want”.

This shift towards consumption that is no longer hampered in mobility means that global and regional 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. Nevertheless, the European Union questions the applicability of the American-inspired doctrine of “net neutrality”, which allows a content provider to use telecommunications infrastructures without having to pay for access and sometimes even use.

All over the world, leading traditional players are being forced to rethink their ability to attract and retain their users by deploying their own platform first to make straight-line broadcasts available to their viewers, but also to enhance them by posting of additional works.

In this respect, 2023 promises to be a turning point in the fight to capture the public. According to a study by the American firm Insider Intelligence (February 2023), for the first time, American adults will spend more time viewing digital videos on social media platforms and streaming platforms than on traditional (linear) television. For teenagers, the switch had already taken place even before COVID-19.

This movement to platform access to works first initiated by Netflix has brought in its wake the major American studios, which have all set up their own platforms in order to re-establish a direct link with their customers. Only Sony is still an exception to this rule.

In this context of the proliferation of works available on demand, a new frontier is being pushed forward by some of these new players who had until then remained on their original premium paid model. Netflix led the way in 2022 by adding advertising screens in exchange for a special subscription with a lower monthly cost. Alongside this entry into the market, which until then had been divided between on demand and linear, other on demand and linear packages are being developed which can be accessed from connected terminals or dedicated platforms like RAKUTEN or FuboTV. A number of research firms have predicted a bright future for this market segment. The firm Omdia predicts that the FAST TV sector (themed free television channels streamed with advertising) is set to triple its revenue between 2022 and 2027 to $12 billion (January 2023). At almost the same time, the subscription video on demand sector is set to post worldwide revenues of $124 billion according to estimates by Digital TV Research (February 2023).

Although most of the major global platforms are reducing their investments in content by being more selective in their commitments and renewing additional seasons in existing series, the program offering still determines whether they can retain their subscribers and attract new ones.

While the immediate release of the post-COVID-19 sequence may have led some players to believe that the cinema was no longer a compulsory, or at least necessary, rite of passage to create the value of the work, movie theater footfall figures in 2022 were more positive thanks to a more powerful offering. While revenues remain down by around 35% compared to the record figures of 2019 in the 39 countries of the International Cinema Union, they are showing an encouraging trend with an estimated €5.6 billion in proceeds, up by more than 50% compared to 2021.

This backdrop marked by the general platformization of the audiovisual sector on the one hand, the increased blending between free and paid services on the other hand and a generally unstable economic context has increased the competitive tension in the retention of talent, the search for original stories and securing rights to adapt intellectual property.

An organization dedicated to the production and accompaniment of talents

In response to more selective customer needs, Gaumont's teams in Paris, Los Angeles, London, Berlin and Rome are working to meet these changing needs by providing dedicated support to talents and a transversal expertise in the production of works.

In addition to its local creative teams, Gaumont can draw on a catalog of nearly 2,500 hours of programs, including more than 1,300 feature films that can be used to transpose great stories to our times and to serve its local and global customers with these works.

Gaumont has always been able to adapt, since 127 year, in order to innovate in subjects developed while remaining attentive to its customers' expectations and to the public's changing consumption patterns. Drawing on its catalog where appropriate, every day its teams strive to bring together current and future talents to create, produce and release original and diversified works in several languages.

Thanks to its locations and to the priority given in the development of greats stories, Gaumont is able to purpose, both now and in the future, an open-ended savoir-faire to creators and to distributors. 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 exclusions.

In the United States, England, Germany, Italy and France, local development teams are multiplying projects by testing them with their counterparts of other territories, thus already benefiting from an analysis of the international potential.

This collaborative strategy is already operational since several years in the animation segment. This specific activity is based on a double implantation, in the United States and in France, whereby the specialists recognizes its quintessentially French know-how.

In an unstable economic and geopolitical context, Gaumont, the world's oldest film company, pursues the ambitious creative challenge of spreading local stories throughout the world, generating social and emotional links spanning continents and connecting one people to another.

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.

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

Industry risks

Market saturation

Description of the risk and its effects

The feature film and audiovisual industry are very competitive, and the content offer, of all types and all supports, are continually expanding. For exemple, in France, more than 700 films are usually released in movie theaters each year.

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 their choice and in the control over their 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 can represent 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

For feature film producers, the release in movie theaters is a prerequisite for qualification as “feature film”, which is a necessary precondition to obtain grants and allocations from the support fund and to trigger 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.

In 2022, 27 films made more than one million tickets sales and 16 made more than two million tickets sales. While the level is higher than in 2021 and 2020, it remains lower than before the health crisis.

Actions implemented to control and mitigate the effects

Gaumont adapts its film release policy to take the changing market situation into account.

Continual change of the business model of online streaming platforms

Description of the risk and its effects

With continued growth in the number of subscription video on demand platforms, both generalist and specialist, international and local, there are increasing numbers of usage models, combining paid services, advertising-supported and hybrid services.

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

Faced with an unstable international economic environment, coupled in some parts of the world with an inflationary surge that is reducing the purchasing power of households, the platforms are under pressure from their shareholders and financial markets to make adjustments to their investment volumes. These successive changes in the model constitute an economic and legal risk for producers, who are forced to constantly adapt to new operating conditions.

Actions implemented to control and mitigate the effects

In this constantly changing environment, Gaumont is committed to adapting its production teams, increasing selectivity in the number of its projects for film and television, and diversifying its commercial partners, both among incumbent operators and new players.

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.

These tax incentives contribute to the financing capacity of producers and distributors and help maintain diversified production activity.

Actions implemented to control and mitigate the effects

Gaumont benefits from various financial support for its feature films and audiovisual 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 global audiovisual landscape has undergone and is still undergoing major transformation. The proliferation of video on demand platforms, and in particular the emergence in certain countries of hybrid models where access to the service is financed by both a subscription and the presence of advertising screens, is hitting head-on the distinction between paid and free models.

The emergence of themed straight-line services financed by advertising, directly accessible on connected TVs through application libraries, provides consumers with access to works outside existing offers of operators' packages and traditional free television service networks.

The demand for content mirrors the divide between high-profile works and lesser-known works. Subscription services make full use of the usage data of their consumer customers to increase the selectivity of their orders, while focusing on catalog works, which continue to be the success of free benchmark television services.

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 transnational platforms make it possible to consume content from around the world, and force local regulations to fall into line with these players.

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 are becoming more demanding and production costs are rising even as the investment capacity of traditional broadcasters reduces, and platforms are being both more selective in their orders and related budgets.

In a context of contraction in the investment capacity of several players but where differentiation in the eyes of the consumer continues to be achieved through novelty, and in the face of a dispersion of audiences accentuated by the emergence of hybrid models, the market for long-term sales of works is reduced, prices are down, and negotiation conditions are significantly tighter.

Lastly, the economic consequences of the inflationary context continue to weigh in particular on the purchasing power of Western households, and market conditions for works both upstream and downstream may well become even tougher.

Actions implemented to control and mitigate the effects

As a producer, Gaumont pays particular attention to the quality of the stories it develops by drawing where necessary on the diversity of the works in its catalog.

When it comes to television series, Gaumont takes care to adapt the location of projects for its linear customers, while offering its producing skills 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 all of its customers with a broad, differentiated product offering.

This catalog has helped to partially mitigate the effects of the conflict in Ukraine on its financial statements.

Gaumont closely follows the development of usage models driven by technological innovations and which reflect the difficult economic context, but also the structural context of the greater freedom of choice offered to consumers in the ways in which they access works.

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. The production of feature films and audiovisual content requires significant energy resources, whether for shooting, postproduction, or the creation of animations.

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 implementation of CSRD reporting (Corporate Sustainability Reporting Directive) is scheduled for 2025 on the Gaumont fiscal year 2024.

In order to support the ecological and energetic transition, the CNC (French National Center for Cinematography), will implement eco-conditionality measures for the obtaining of grants. These measures aim to support producers in a more responsible transformation of the feature film and audiovisual sectors, to sensibilize them to the environmental impact and to help them to reduce it. A provisional carbon footprint must be submitted at the production estimate stage of final production estimate. The definitive footprint of the work will permit to note the differences between the forecast and the definitive footprint in order to observe the savings achieved by the low-carbon strategy implemented. The implementation of carbon footprint requirement is envisaged in a progressive manner.

Failure to address environmental issues in a structured manner could lead to a loss of opportunities for Gaumont, such as higher financing costs, decrease in tax credits and subsidies, and, more globally, difficulty in meeting the requirements of stakeholders who will themselves have to address these issues.

Actions implemented to control and mitigate the effects

In 2021, Gaumont have designated a referent to deal with social and environmental responsibility. An impact report on Gaumont's environmental footprint have been presented to the Board of directors in November 2022 in order to define a strategy to better address all the issues raised by environmental risks.

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.

For French feature films and audiovisual works for which Gaumont is responsible of their production, carbon footprints will be systematically carried out from 2023. These carbon footprints will allow Gaumont to meet future regulatory requirements but also to identify areas for improvement in order to adopt the most relevant strategy possible.

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.

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.

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 audiovisual 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 be able to 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 audiovisual production business in the United States, Gaumont established, since 5 years, a European presence in the United Kingdom, Germany and Italy. These phases of international development require massive investments and additional cash needs to develop 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 regularly assesses opportunities to hedge foreign exchange risks. The analysis of the foreign exchange risk is presented in note 7.2 to the consolidated financial statements. Moreover, Gaumont has chosen to locate part of its financial resources directly in the United States in order to finance its local needs in local currency.

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 the release of a work.

Actions implemented to control and mitigate the effects

Management of rights is at the heart of most 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 a professional 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 Gaumont's Accounting 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 covers outsourced hosting of infrastructure, firewalls and network updates, multiple data backups, two-step password protection 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.

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.

Finally, all employees now work on laptops configured for remote working. Access is secured *via* a VPN portal to guarantee the confidentiality of information sent online.

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 addition, an electronic management tool for employee expense reports was set up with managerial approval levels and is administered by a non-signatory user.

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.

The bank signature is electronic, in the form of secure validation keys that are personal to each signatory, respecting the principle of double electronic signature.

The bank signature rules are recorded in an information system with rights management and administered by a non-signatory user external to cash management.

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.

2 CONSOLIDATED FINANCIAL INFORMATION

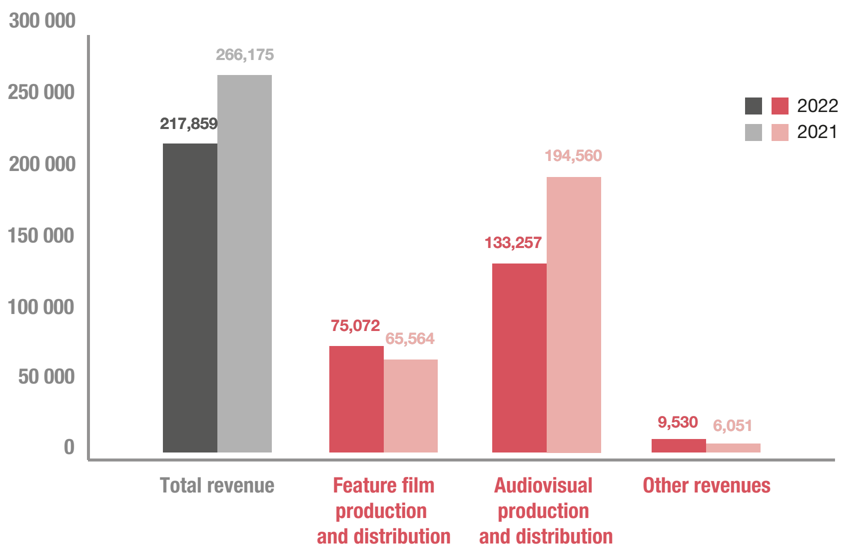
ANALYSIS OF CONSOLIDATED RESULTS

Revenue and breakdown by business

Gaumont's consolidated revenue amounted to k€217,859 in 2022, compared with k€266,175 in 2021.

Revenue by business activity breaks down as follows:

in thousands of euros

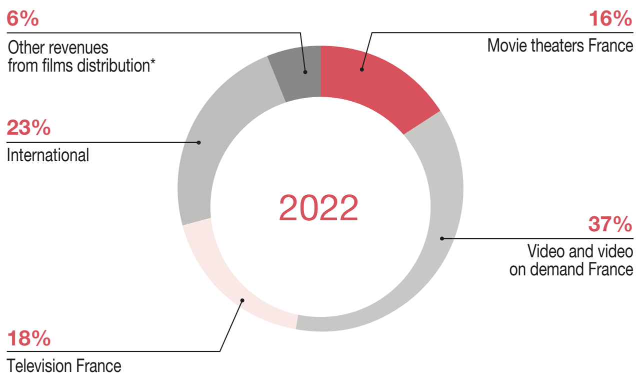


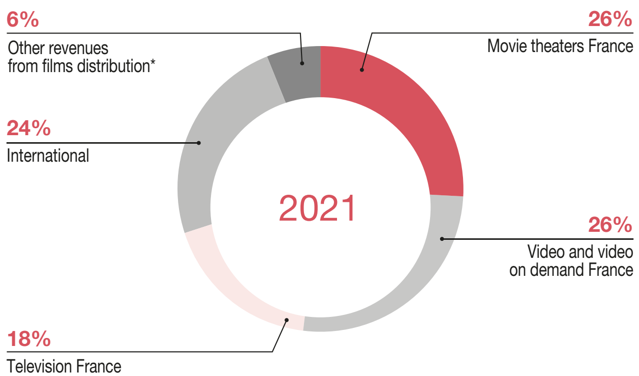
The Group's share of consolidated income represented a loss of k€12,306 in 2022, *versus* a profit of k€1,040 in 2021.

Feature film production and distribution

Revenue from the feature film production and distribution business amounted to k€75,072 in 2022 compared to k€65,564 in 2021, while income from the business, including dedicated financing costs, before overheads, amounted to k€12,547 in 2022, compared to k€14,890 in 2021.

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





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

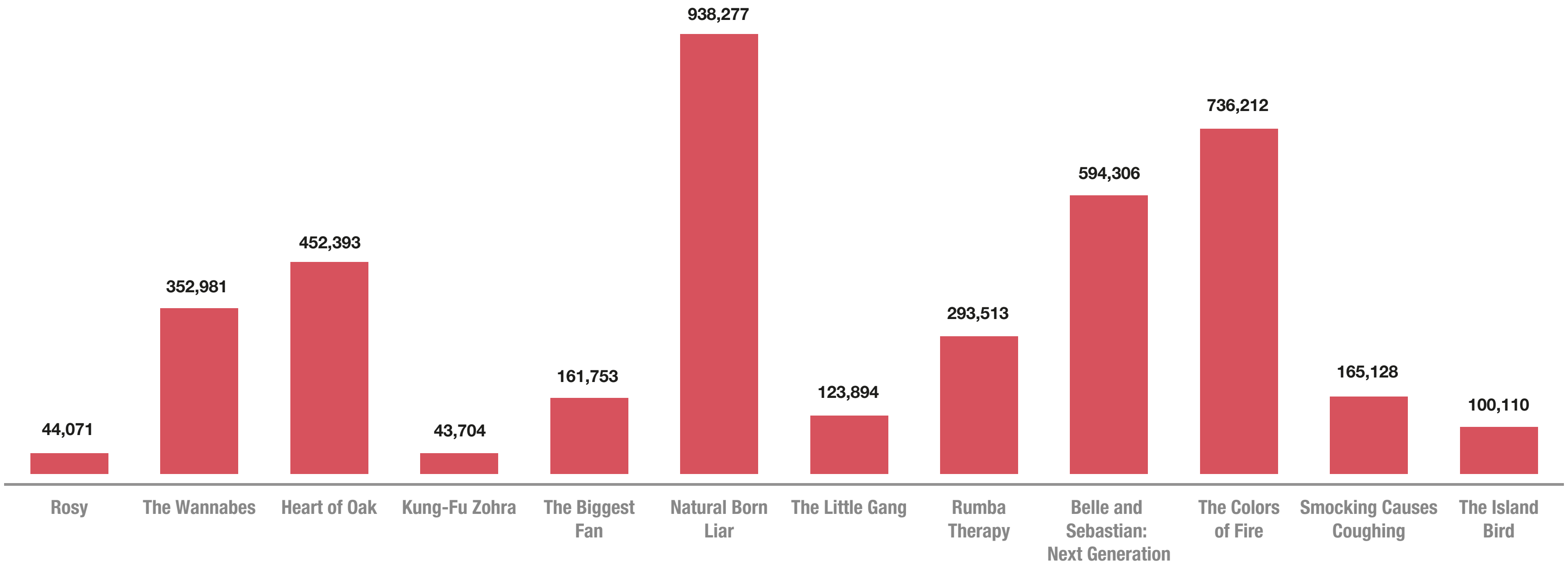
Movie theater distribution

Revenue from the release of films in movie theaters in France stood at k€11,673 as of December 31, 2022, compared to k€17,097 as of December 31, 2021.

Twelve films were released in theaters in 2022:

- *Rosy*, directed by Marine Barnérias, starring Marine Barnérias;
- *The Wannabes*, directed by Jonathan Barré, starring the Palmashow (Grégoire Ludig and David Marsais);
- *The Heart of Oak*, directed by Laurent Charbonnier and Michel Seydoux;
- *Kung-Fu Zohra*, directed by Mabrouk El Mechri, starring Sabrina Ouazani and Ramzy Bedia;
- *The Biggest Fan*, directed by Philippe Guillard, starring Gérard Lanvin, Artus and Antoine Bertrand;
- *Natural Born Liar*, directed by Olivier Baroux with Tarek Boudali and Artus;
- *The Little Gang*, directed by Pierre Salvadori, starring Paul Belhoste, Colombe Schmidt, Mathys Clodion-Gines, Redwan Sellam, Aymé Medeville and Pio Marmaï;
- *Rumba Therapy*, directed by Franck Dubosc, starring Franck Dubosc and Louna Espinosa;
- *Belle and Sebastian*: *Next Generation,* directed by Pierre Coré starring Michèle Laroque, Caroline Anglade and Alice David;
- *The Colors of Fire*, directed by Clovis Cornillac, starring Léa Drucker, Benoît Poelvoorde, Alice Issaz and Clovis Cornillac;
- *Smoking Causes Coughing*, directed by Quentin Dupieux, starring Gilles Lellouche, Vincent Lacoste, Anaïs Demoustier, Jean-Pascal Zadi and Oulaya Amamra;
- *The Island Bird*, directed by Gérard Jugnot, starring Marc Lavoine, Gérard Jugnot and Soan Arhimann.

4.0 million cinema tickets sales were recorded for these films released in 2022, while 6.2 million cinema tickets sales were recorded for the nine films distributed in 2021. The breakdown by film of these cinema tickets admissions in 2022 is as follows:



Vicky and her Mystery, *Lost Illusions*, *Aline!* and *The Accusation* released in 2021 recorded 0.3 million box-office sales in 2022.

Video publishing and video on demand

Revenue from video on demand and video publishing amounted to k€28,097 in 2022, compared with k€16,948 in 2021.

For 2022 it includes revenue recognized overtime of a production on behalf of Netflix, *La Grande Odalisque*, and a production on behalf of Amazon, *Overdose*.

The best-selling new VOD releases in 2022 are *OSS117: From Africa with Love* and *Aline!*.

Sales of physical video media were down slightly compared to 2021. This change reflects the overall market trend, although more new films were released in 2022 compared with 2021, which was characterized by the closure of theaters during the pandemic.

Export sales of rights

Revenue from export feature film distribution amounted to k€17,201 in 2022 compared with k€15,768 in 2021. It includes proceeds from the sale of *Fifth Element* in the United States. The most promising new export titles in 2022 were *Belle and Sebastian: Next Generation, Rumba Therapy* and *Natural Born Liar.*

Sales of television broadcasting rights

Revenue from sales of broadcasting rights to French television channels amounted to k€13,879 as of December 31, 2022, compared to k€12,122 as of December 31, 2021.

In 2022, the release windows of 155 films in the Gaumont catalog opened, compared to the release windows of 177 films in 2021.

Income related to first television broadcast rights for the movies *Simply Black* and *Heart of Oak* contributed to the revenue for k€850 in 2022.

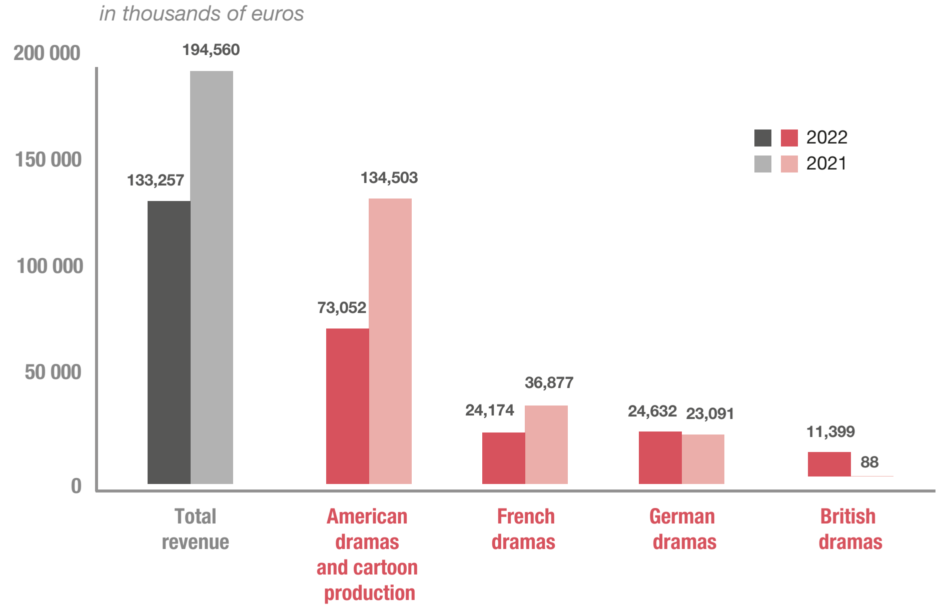
Other movie distribution channels

Revenue from these distribution channels amounted to k€4,222 in 2022 compared with k€3,629 in 2021. 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€133,257 in 2022, *versus* k€194,560 in 2021, and income of the business, including dedicated financing costs, before overheads and including non-controlling interests stood at k€21,923 in 2022, compared with k€29,680 in 2021.

Revenue by business activity breaks down as follows:



Fourteen programs were delivered or partially delivered in 2022, as in 2021:

- the American drama series *El Presidente* – Season 2, delivered to Amazon;
- the American animated series *Samurai Rabbit: The Usagi Chronicles*, delivered to Netflix;
- the American animated series *Stillwater* - Season 2, partially delivered to Apple;
- the French drama series *Totems*, delivered to Amazon;
- the French drama series *Hors Saison* and *The Art of Crime* – Season 6, delivered to France Télévisions;
- the documentary program *Dieuleveult et les disparus du fleuve*, delivered to France Télévisions;
- the documentary program *Au Royaume du Maréchal,* delivered to Histoire TV;
- the audio drama *1 euro la minute*, available on Nouvelles écoutes;
- the German drama series *Barbarians* – Season 2, delivered to Netflix;
- the German drama series *The Second Wave*, delivered to ZDF;
- the German drama series *The Wasp* – Season 2, delivered to Sky;
- the German drama series *Parole Aider*: *The big lot*, delivered to ARD;
- the German drama series *Nothing that happens to us*, delivered to WDR.

Revenue and income for 2021 included the delivery of *Narcos Mexico* – Season 3 while no comparable series was delivered in 2022.

In 2022, revenue and income include the proceeds from a non-exclusive agreement relating to the development of drama series as well as income and expenses recognized overtime of series in production, including: *Lupin: in the Shadow of Arsène* – Part 3 in France for Netflix, *German House* in Germany for Disney + and the film *Locked In* in production in the UK for Netflix.

Holding and real estate activities

Revenue from holding company and real estate activities amounted to k€8,759 in 2022 compared to k€4,722 in 2021, while income from the business, including dedicated financing costs, before overheads, amounted to k€6,056 in 2022 compared to k€4,195 in 2021. The increase in income is mainly due to the revenues of trademark royalties that could not trade for part of 2021 due to the health crisis.

Overheads and other comprehensive income

Revenue linked mainly to services provided on behalf of third parties amounted to k€771 in 2022 compared to k€1,329 in 2021. The net overheads of the various operational activities as well as the functional and central services amounted to k€50,454 in 2022 compared to k€43,969 in 2021.

79% of net overheads correspond to employee compensation expenses.

The average workforce in 2022 is composed of 237 full-time equivalent workers, and breaks down as follows:

	2022			2021		
BUSINESS SEGMENT	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Gaumont SA	48	80	128	53	79	132
Feature film production and distribution subsidiaries[(1)]	6	7	13	7	7	14
Animated films and series production	6	4	10	5	3	8
Television drama production	29	57	86	30	52	82
AVERAGE WORKFORCE	**89**	**148**	**237**	**95**	**141**	**236**
France	*66*	*101*	*167*	*71*	*97*	*168*
Germany	*6*	*10*	*16*	*5*	*8*	*13*
Italy	*1*	*2*	*3*	-	-	-
United Kingdom	*2*	*11*	*13*	*3*	*10*	*13*
United States	*14*	*24*	*38*	*16*	*26*	*42*

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

The net cost of financing general needs amounted to k€2,288 in 2022 compared to k€3,799 in 2021.

Income included a current income tax expense of k€110 in 2022, compared with k€1 in 2021, and deferred income tax expense of k€12 compared with deferred income tax expense of k€44 in 2021.

Cash flows and financial structure

Cash flows

As of December 31, 2022, the Gaumont Group had k€116,731 in cash, compared with k€91,942 at the beginning of the year, *i.e.*, a positive change of k€24,789.

In 2022, current Group business activities generated k€94,861 in net positive cash flows, *versus* k€142,019 in 2021.

Investment activities

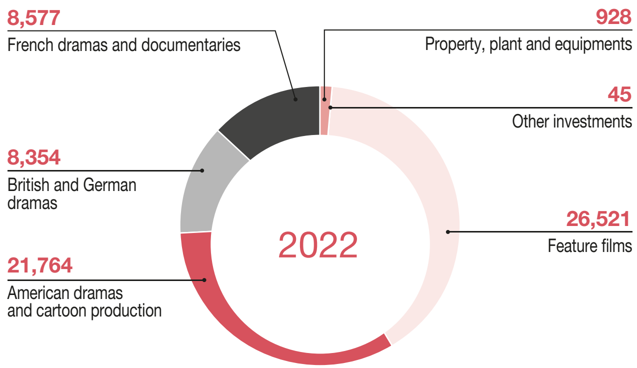
Net cash flows allocated to investments amounted to k€69,343 as of December 31, 2022, against k€116,177 as of December 31, 2021.

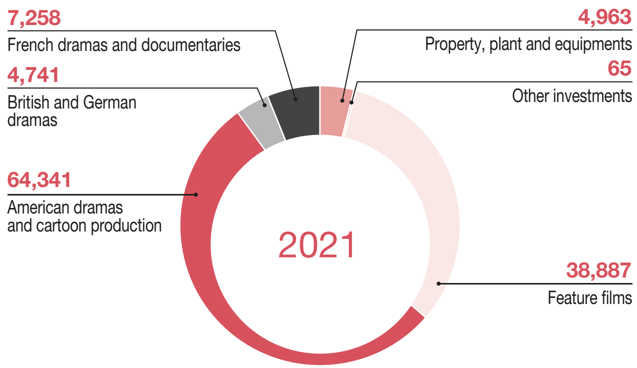
Over the last two fiscal years, investments, excluding changes in related liabilities, were as follows:

(in thousands of euros)	2022	2021
Intangible assets	65,225	115,271
Property, plant, and equipment	928	4,963
Non-controlling financial assets	36	21
Acquisition of shares in consolidated companies	-	-
TOTAL INVESTMENTS	**66,189**	**120,255**

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 2022, cash flows from financing activities included a rise in debt of k€4,400 and loan interest payments of k€4,323.

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€3,227 in 2022.

Equity

Consolidated equity stood at €k196,917 as of December 31, 2022, *versus* k€212,203 as of December 31, 2021.

The consolidated financial position stood at k€470,577, against k€493,176 in the previous year.

Net borrowings

The Group's net financial borrowings came to k€ - 23,734 as of December 31, 2022, *versus* k€ - 5,331 as of December 31, 2021. This mainly includes k€116,755 of positive cash flows, k€32,914 in refinancing loans, k€25,000 in State-guaranteed loans, €15,099 in bonds and k€16,839 under the global receivables assignment agreement to finance the american business.

Financial borrowings do not include lease liabilities under IFRS 16, which amounted to k€7,713 as of December 31, 2022, compared with k€9,952 as of December 31, 2021.

In France, based on its growth policy, Gaumont estimates that its available cash, operating cash flows, bond, refinancing loan, and revolving credit line 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€15,000, with three financial ratios to be met every six months.

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.

Gaumont also took out in 2021 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 credit facility 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 7.1 to the consolidated financial statements. The pledging of several titles in the catalog to the lending institutions made it possible to draw down the reducing loan. At December 31, 2022, Gaumont had an available balance of k€62,500 under the revolving credit facility.

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.

Loans taken out to finance season 6 of *Narcos*, season 5 of *F is for Family* and *Samurai Rabbit: The Usagi Chronicles* were repaid in full. No new production loans were outstanding as of December 31, 2022.

In Germany, Gaumont took out a loan to finance the production of season 2 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, 2022, the outstanding loan stood at k€539, with an available balance of k€8,462.

Assignment of receivables

In order to finance French productions, Gaumont might use the assignment of receivables under the Dailly Law. Assignments within the framework of these contracts are generally linked to pre-financing the production, such as pre-sales to the main broadcaster, contributions of co-producers, or allowance from the support funds to the audiovisual industry. No receivables assignment agreement was outstanding as of December 31, 2022.

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, 2022, the liability related to these receivables sales amounted to k $17,915 for an available drawdown of k$1,576.

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€3,388 as of December 31, 2022.

Outlook

In an uncertain environment, the tone of the audiovisual market will depend on the development of investments from platforms.

Since January 1, 2023, cinema attendance is still down by around 20% compared to the 2017-2019 average, but up by almost 40% compared to the same period in 2022.

Gaumont is not aware of other risks and uncertainties for 2023 but remains very vigilant with regard to both geopolitical and economic developments and their repercussions on its business activities.

Four films have been released in theaters since January 1, including *Father and Soldier*, *For Better and For Worse* and *The Crime is Mine* which together attracted an audience of more than one and a half million at the reporting date.

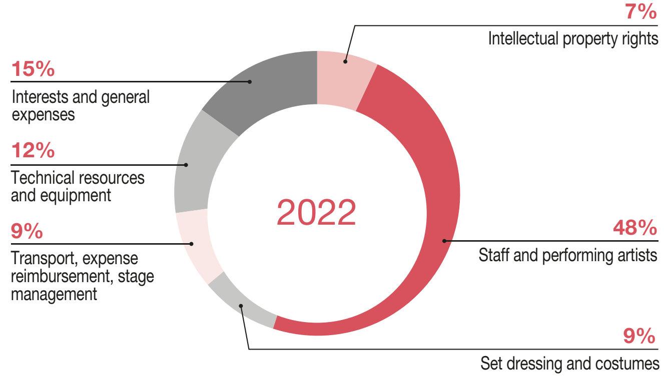
Gaumont will release six films in theaters and will deliver ten series by the end of 2023.

Production costs and coverage rate

Cinema production

BREAKDOWN OF PRODUCTION COSTS

During 2022, Gaumont produced or co-produced, in part or in full, 17 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	2022	2021
Technicians	684	723
Artists and Actors	212	402
Extras	900	1,524
TOTAL WORKFORCE	**1,796**	**2,649**
Number of hours Total(1) *(in thousands)*	189	179

(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 2023 amount to approximately k€33,711.

The 2023 release program currently includes four films for which Gaumont was the line producer: *Neneh superstar*, *Yo mama, Une affaire d'honneur* and *Noël joyeux.*

The average coverage rate of internal productions, not carried out on behalf of third parties, at the start of production is 81%.

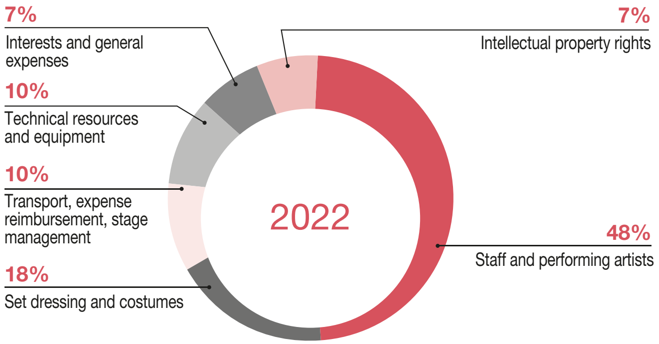
For the other films in its release program, Gaumont has opted for a fixed investment, thus limiting its risk of exposure to unforeseen production delays and cost overruns. Most of the cost of the film and pre-financing, such as contributions and pre-sales, is recognized by the executive producer responsible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

As at December 31, 2022, the shooting of all films scheduled for release in 2023 has been completed.

European television production

BREAKDOWN OF PRODUCTION COSTS

In 2022, Gaumont and its subsidiaries produced around 34 hours of European television dramas representing a total budget of approximately €83 million. The breakdown of this budget by cost type is as follows:



On average, 40% to 50% 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 dramas is as follows:

CONTRACT WORKERS BY PROFESSION	2022(1)	2021(2)
Technicians	1,139	1,190
Artists and Actors	349	343
Extras	1,961	2,727
TOTAL WORKFORCE	**3,449**	**4,260**
Number of hours Total(3) *(in thousands)*	225	278

(1) Missing data for three dramas.
(2) Partial data for two dramas.
(3) The daily number of hours worked depends on the collective agreement, the duration of the contract and the duties of each contract worker.

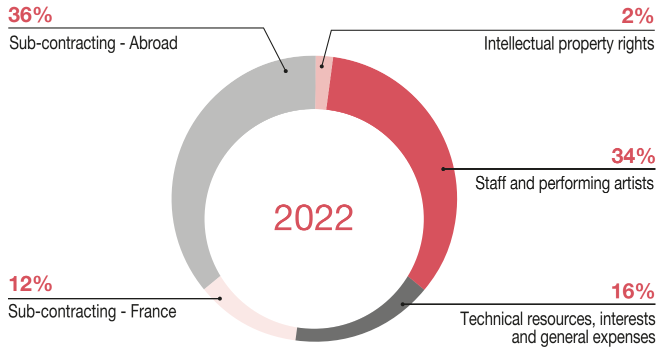
COVERAGE RATE OF EUROPEAN TELEVISION DRAMA PRODUCTION

The total coverage rate for European internal productions scheduled for delivery in 2023, including tax credits, is more than 100% for French, German and British television dramas as of the date of the decision to go into production.

Animated production

BREAKDOWN OF PRODUCTION COSTS

In terms of its animated production, Gaumont has incurred €26 million of production costs in 2022 on an accumulated total production budget of €97 million for three 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 animated production, is as follows:

CONTRACT WORKERS BY PROFESSION	2022	2021
Technicians	173	430
Artists and Actors	47	80
Extras	-	18
TOTAL WORKFORCE	**220**	**528**
Number of hours Total [(1)] *(in thousands)*	126	241

(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 animated production in France and between 7 and 12 hours, depending on the contracts, in American animated productions.

COVERAGE RATE OF ANIMATED PRODUCTION

The average coverage rate for animated production scheduled for delivery in 2023 is more than 100%, as of the date of the decision to go into production.

American television production

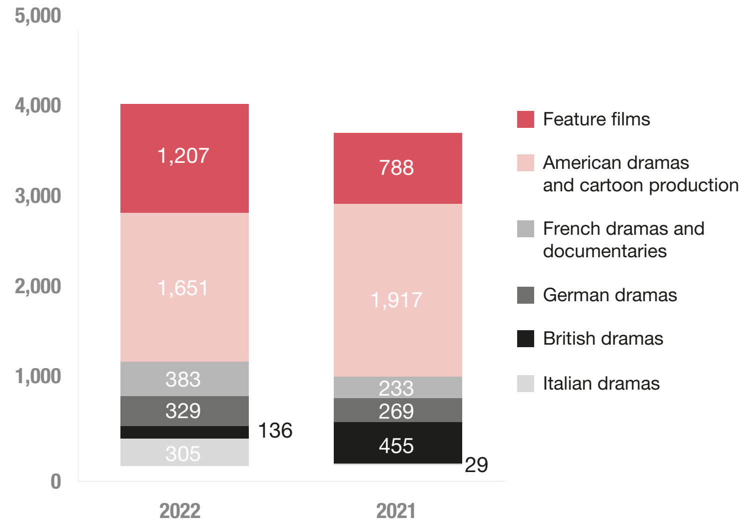
The American television production is marginal in 2022. The drama series delivered in 2022 has been mainly produced in 2021.

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 2022, preliminary costs totaled k€4,012, *versus* k€3,691 in 2021, and were divided up into the different business segments as follows:

in thousands of euros



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(in thousands of euros)	NOTE	2022	2021
Revenue	3.2	217,859	266,175
Purchases		-1,920	-2,089
Personnel expenses	3.3	-52,730	-45,833
Other current operating income and expenses	3.4	-77,683	-61,418
Depreciation, amortization, impairment and provisions		-96,595	-154,902
Current operating income (loss)		-11,069	1,933
Other non-current operating income and expenses	3.5	276	1,462
Operating income (loss)		-10,793	3,395
Share of net income of associates		-	-
Operating income after share of net income of associates		-10,793	3,395
Gross borrowing costs		-5,623	-6,575
Income from cash and cash equivalents		361	104
Net borrowings costs		-5,262	-6,471
Other financial income and expenses	3.6	3,840	4,073
Net income (loss) before tax		-12,215	997
Income tax	9.1	-122	43
NET INCOME		**-12,337**	**1,040**
Share attributable to non-controlling interests		-31	-
Share attributable to the shareholders of the parent company		-12,306	1,040
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*		-3.94	0.33
Diluted earnings per share attributable to the shareholders of the parent company			
• Average potential number of shares	6.1	3,131,234	3,131,743
• *In euros per share*		-3.93	0.33

Statement of comprehensive income

(in thousands of euros)	NOTE	2022	2021
Net income		-12,337	1,040
Translation adjustments of foreign operations		-2,546	-4,144
Share in foreign exchange gains and losses 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	615	464
Changes in fair value of net foreign investment hedging financial instruments	7.2	-2,317	1,944
Share of changes in fair value of hedging financial instruments of associates		-	-
Income tax on gains and losses recognized directly in equity	9.1	425	-616
Other elements of comprehensive income that could be reclassified later in net income		**-3,823**	**-2,352**
Changes in asset revaluation surplus		-	-
Actuarial gains and losses on defined benefit plans	8.3	1,163	170
Share of actuarial gains and losses of associates		-	-
Income tax on gains and losses recognized directly in equity	9.1	-291	-42
Other elements of comprehensive income that cannot be reclassified in net income		**872**	**128**
Total of other elements of comprehensive income after taxes		-2,951	-2,224
COMPREHENSIVE INCOME FOR THE PERIOD		**-15,288**	**-1,184**
Share attributable to non-controlling interests		-31	-
Share attributable to the shareholders of the parent company		-15,257	-1,184

Consolidated statement of financial position

ASSETS

(in thousands of euros)	NOTE	12.31.22	12.31.21
Goodwill	2.4	12,035	12,035
Films and audiovisual rights	4.1	99,411	127,919
Other intangible assets	4.2	125	157
Property, plant and equipment	4.3	70,168	74,353
Investments in associates		-	-
Other financial assets	4.4	67	166
Non-current deferred tax assets	9.1	5,121	3,463
Non-current assets		186,927	218,093
Inventories	5.1	409	466
Trade receivables and contract assets	5.2	102,158	110,438
Current income tax assets	5.2	13,134	10,313
Other receivables and current financial assets	5.2	51,194	61,758
Cash and cash equivalents	6.2	116,755	92,108
Current assets		283,650	275,083
TOTAL ASSETS		**470,577**	**493,176**

LIABILITIES

(in thousands of euros)	NOTE	12.31.22	12.31.21
Capital		24,959	24,959
Retained earnings and comprehensive income		171,987	187,244
Equity attributable to the shareholders of the parent company		**196,946**	**212,203**
Non-controlling interests		**-29**	**-**
Equity	6.1	196,917	212,203
Non-current provisions	8.1	4,037	9,702
Non-current deferred tax liabilities	9.1	4,682	3,131
Non-current borrowings	6.2	86,692	56,468
Other non-current liabilities	5.3	-	-
Non-current liabilities		95,411	69,301
Current provisions	8.1	1,440	1,197
Current borrowings	6.2	14,172	40,383
Trade payables	5.3	22,763	22,307
Current income tax liabilities	5.3	-	-
Other payables	5.3	80,724	88,557
Deferred income and contract liabilities	5.3	59,150	59,228
Current liabilities		178,249	211,672
TOTAL LIABILITIES		**470,577**	**493,176**

Consolidated statement of changes in equity

CHANGES IN EQUITY *(in thousands of euros)*	NUMBER OF SHARES	CAPITAL	ADDITIONAL PAID-IN CAPITAL[1]	TREASURY SHARES	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME	TOTAL	ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL EQUITY
	ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY								
As of December 31, 2020	**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**
Net income for the year	-	-	-	-	-12,306	-	-12,306	-31	-12,337
Other comprehensive income	-	-	-	-	-	-2,951	-2,951	-	-2,951
Comprehensive income for the year	-	-	-	-	-12,306	-2,951	-15,257	-31	-15,288
Capital transactions	-	-	-	-	-	-	-	2	2
Share-based payments	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Elimination of treasury shares	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
As of December 31, 2022	**3,119,923**	**24,959**	**5,278**	**-257**	**151,672**	**15,294**	**196,946**	**-29**	**196,917**

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

Consolidated statement of cash flows

(in thousands of euros)	NOTE	2022	2021
Operating activities			
Consolidated net income (including non-controlling interests)		-12,337	1,040
Net allowances for depreciation, amortization, and provisions	4.5	96,492	155,135
Unrealized gains and losses related to changes in fair value	7.2	2,072	395
Other calculated income and expenses		-6,206	-3,859
Gains and losses on disposal of assets		-139	-1,462
Cash flow from operating activities after tax and net borrowing costs		**79,882**	**151,249**
Net borrowings costs		5,262	6,471
Tax expenses (including deferred tax)	9.1	122	-43
Cash flow from operating activities before tax and net borrowing costs		**85,266**	**157,677**
Tax paid		11,564	10,311
Change in working capital requirement related to operating activities	5.5	-1,969	-25,969
(A) Net cash flow from operating activities		94,861	142,019
Investment activities			
Proceeds from sales of fixed assets		684	1,751
Acquisition of long-term assets		-66,189	-120,255
Change in liabilities on investments		-3,838	2,327
Net impact of changes in scope, net of cash acquired		-	-
Change in liabilities and receivables on acquisitions and sales of consolidated shares		-	-
(B) Net cash flow from investment activities	4.5	-69,343	-116,177
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	4,400	-41,011
Interest paid on borrowings		-4,323	-6,270
Operating and finance lease payments and related interest		-3,227	-3,222
(C) Net cash flow from financing operations		-3,150	-50,503
(D) Impact of changes in foreign exchange rates		2,421	2,229
NET CHANGE IN CASH & CASH EQUIVALENTS: (A) + (B) + (C) + (D)		**24,789**	**-22,432**
Cash and cash equivalents at beginning of period		92,108	114,401
Bank overdraft at beginning of period		-166	-27
Cash position at beginning of period		91,942	114,374
Cash and cash equivalents at end of period		116,755	92,108
Bank overdraft at end of period		-24	-166
Cash position at end of period	6.2	116,731	91,942
NET CHANGE IN CASH & CASH EQUIVALENTS		**24,789**	**-22,432**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Presentation of the consolidated financial statements

1.1. Geopolitical and macroeconomic context

2022 was characterized by a return to normal operating conditions after two years strongly impacted by the health crisis in France and in all countries in which the Group operates.

The war in Ukraine has no direct impact on Gaumont's business. Nevertheless, the impact of the global geopolitical and economic context together with supply issues has caused uncertainty, along with high inflation.

In this context, movie theater attendance in France fell by 27% compared to the years prior to the health crisis, and some platforms revised their investments downwards, resulting in greater selectivity and order cancellations.

1.2. General principles

Pursuant to Regulation (EC) No. 1606/2022 of July 19, 2002, Gaumont's consolidated financial statements for the year ended December 31, 2022, 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, 2022, 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, 2021, with the exception of the IFRS standards and IFRIC interpretations applicable from January 1, 2022, and standards possibly applied in advance, the details and individual impact of which are described in note 1.3.

Financial statements have been prepared on a going concern basis.

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, 2022

Impact of the new standards applicable to the Group from January 1, 2022, are presented below.

STANDARD		APPLICATION DATE(1)	IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GAUMONT GROUP
Annual improvements	2018-2020 cycle	01.01.22	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 EU application).

Expected impact of texts adopted by the European Union and not yet compulsory as of December 31, 2022

STANDARD		APPLICATION DATE(1)	IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GAUMONT GROUP
IFRS 17	Insurance contracts	01.01.23	Not applicable
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	01.01.23	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	01.01.23	No significant impact on the consolidated financial statements
Amendments to IAS 8	Definition of accounting estimates	01.01.23	No significant impact on the consolidated financial statements
Amendments to IAS 1	Disclosure requirements in general principles	01.01.23	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, 2022

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	01.01.24	No significant impact on the consolidated financial statements
Amendments to IFRS 16	Lease liabilities under a lease sale	01.01.24	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.

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 Élysées, 75008 Paris	352 072 904	100.00	100.00	FC
Éditions la Marguerite SARL	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	602 024 150	100.00	100.00	FC
Gaumont Musiques SARL	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	494 535 255	100.00	100.00	FC
Audiovisual production and distribution					
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
Jour Premier Production SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	919 840 629	70.00	70.00	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
Gaumont (Locked In) Ltd	56, Berwick Street, London, W1F 8SW	United Kingdom	100.00	100.00	FC
Gaumont (Lolly) 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 Élysées, 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.

Earn outs 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 Jour Premier Production SAS

In September 2022, Gaumont created Jour Premier Production SAS, a company dedicated to the production of French audiovisual works. Gaumont holds a 70% stake, and the company is fully consolidated.

Creation of the production companies Gaumont (Lolly) Ltd and Gaumont (Locked In) Ltd

At the end of 2022, Gaumont (Lolly) Ltd and Gaumont (Locked In) Ltd were created in the United Kingdom. Their purpose is the production of two British audiovisual works.

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 CGUs 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:

	12.31.22	MOVEMENTS OF THE PERIOD +	MOVEMENTS OF THE PERIOD -	MOVEMENTS OF THE PERIOD OTHER[1]	12.31.21
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
NET 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.

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

	CGU CATEGORY	MEASUREMENT METHOD	DISCOUNT RATE	TERMINAL VALUE	OTHER KEY ASSUMPTIONS	NET VALUE 12.31.22	NET VALUE 12.31.21
Animation	Animated films and series production	DCF	11.5%	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, 2022, 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.

	DISCOUNT RATE		
ENTITY VALUE	-1%	11.50%	+1%
EV -10%	-869	-2,747	-3,588
EV	2,087	-	-934
EV +10%	5,043	2,747	1,719

In addition, complementary sensibility tests have been carried out by significantly downgrading assumptions used to calculate the terminal value and with a discount rate of 12.5%. 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€6,632 on the CGU’s value in use without reducing it to a level below its net carrying amount.

2.5. Seller warranties received

As of December 31, 2022, 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

2022	FRENCH MOVIE PRODUCTION AND DISTRIBUTION	AUDIOVISUAL PRODUCTION AND DISTRIBUTION	REAL ESTATE AND HOLDING BUSINESSES	INDIRECT AND UNALLOCATED COSTS	TOTAL
Revenue	75,072	133,257	8,759	771	217,859
Operating income from activities excluding overheads	12,108	21,496	6,056	-	39,660
Overheads	-14,918	-27,014	-	-9,943	-51,875
Income tax	-238	-103	-	219	-122
NET INCOME	**-3,048**	**-5,621**	**6,056**	**-9,724**	**-12,337**

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**

Information by region

REVENUE

At December 31, 2022, revenue broken down per region by reference to the company that contributes to it is as follows:

	2022	2021
French companies	115,735	109,629
European companies	32,036	24,082
American companies	70,088	132,464
TOTAL	**217,859**	**266,175**

Revenue below is broken down by clientele commercialization zone:

	2022	2021
France	54,371	56,598
• Europe	44,418	37,806
• America	116,805	169,366
• Asia	1,326	1,773
• Africa/Middle East	555	372
• Rest of the world	384	260
International	163,488	209,577
TOTAL	**217,859**	**266,175**

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:

	12.31.22				12.31.21			
	FRANCE	EUROPE	AMERICAS	TOTAL	FRANCE	EUROPE	AMERICAS	TOTAL
Goodwill	12,035	-	-	12,035	12,035	-	-	12,035
Films and audiovisual rights	84,759	5,408	9,244	99,411	96,050	218	31,651	127,919
Other intangible assets	120	5	-	125	155	2	-	157
Property, plant and equipment	63,028	1,543	5,597	70,168	66,442	1,140	6,771	74,353
Investments in associates	-	-	-	-	-	-	-	-
Other financial assets	34	33	-	67	134	32	-	166
TOTAL NON-CURRENT ASSETS	**159,976**	**6,989**	**14,841**	**181,806**	**174,816**	**1,392**	**38,422**	**214,630**

Information about the Group's major customers

The Group's top ten customers together accounted for 67% of the Group's consolidated revenue. The breakdown between customers varies significantly from one year to the next.

In 2022, sales to Netflix and to Amazon accounted respectively for 29% and 13% 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

	2022			2021		
	FRANCE	ABROAD	TOTAL	FRANCE	ABROAD	TOTAL
French movie production and distribution	39,983	35,089	75,072	42,800	22,764	65,564
Movie theater distribution	11,673	-	11,673	17,097	-	17,097
Video publishing and video on demand	11,082	17,015	28,097	10,677	6,271	16,948
Television broadcasting rights	13,879	-	13,879	12,122	-	12,122
International sales	-	17,201	17,201	-	15,768	15,768
Other movie distribution income	3,349	873	4,222	2,904	725	3,629
Audiovisual production and distribution	5,398	127,859	133,257	8,225	186,335	194,560
Distribution of American dramas	77	28,194	28,271	171	97,874	98,045
Distribution of French dramas	4,670	3,959	8,629	6,478	1,111	7,589
Distribution of European dramas	-	7,588	7,588	-	3,101	3,101
Distribution of animated films and series	553	31,324	31,877	1,420	25,048	26,468
Drama production	-	43,988	43,988	-	49,367	49,367
Animated series production	98	12,806	12,904	156	9,834	9,990
Real estate and holding businesses	8,224	535	8,759	4,247	475	4,722
Other miscellaneous revenue	766	5	771	1,326	3	1,329
TOTAL	**54,371**	**163,488**	**217,859**	**56,598**	**209,577**	**266,175**

In 2022, feature film production and distribution and audiovisual production and distribution accounted for 34% and 61% of consolidated revenue, respectively.

The Group generated 75% of its revenue outside France in 2022, compared with 79% in 2021.

Rents received from the leasing of investment properties amounted to k€5,345 at December 31, 2022, and are included in real estate and holding activities. The rent collected for right-of-use assets classified as investment properties stood at k€535 at December 31, 2022, and are also included in the real estate and holding businesses.

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.

	2022	2021
Salaries	-39,784	-33,650
Social security contributions	-12,696	-12,016
Employee profit-sharing	-11	-12
Pensions and similar benefits	-239	-155
Share based payments expense	-	-
TOTAL	**-52,730**	**-45,833**

Compensation includes k€14,651 in salaries paid to contract workers employed in the production to order of films and series as of December 31, 2022, compared with k€10,788 as of December 31, 2021. Related social security contributions totaled k€ 4,956 as of December 31, 2022, *versus* k€4,719 as of December 31, 2021.

Average workforce broken down by category

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

	2022	2021
Managers	132	126
Supervisors	50	46
Employees	55	64
TOTAL WORKFORCE	**237**	**236**

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:

	2022	2021
Total gross compensation(1)	1,646	1,650
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€4,538 as of December 31, 2022, *versus* k€7,239 as of December 31, 2021.

3.4. Other current operating income and expenses

Other income and expenses by type

	2022	2021
Automatic financial support	9,660	11,165
Other subsidies	287	3,075
Audiovisual and cinema tax credit	15,577	9,105
Distribution costs and other purchases	-18,056	-11,242
Project development	-3,985	-3,954
Inventoried products	-25	9
Subcontracting	-1,511	-9,957
Rentals and rental expenses	-6,904	-3,665
Outside personnel	-2,911	-4,111
Fees	-7,078	-7,540
Advertising, publications and public relations	-1,211	-1,027
Travel and entertainment expenses	-3,004	-2,503
Other external expenses	-6,744	-4,149
Taxes and similar payments	-2,266	-1,920
Foreign exchange gains and losses on operating activities	248	214
Copyrights, royalties and similar	-10,807	-12,284
Shares of co-producers and guaranteed minima	-9,675	-9,916
Income from the sale of operating assets	-137	-
Other income and expenses	-29,141	-12,718
NET OTHER CURRENT OPERATING INCOME AND EXPENSES	**-77,683**	**-61,418**

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€7,805 of financial support for feature film production, distribution, and export and k€1,208 of support for audiovisual production. This item also includes k€647 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.

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 2022, this item included k€2,561 for feature film production, k€5,819 for French audiovisual production, k€1,908 for British audiovisual production and k€492 for American audiovisual 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 expenses incurred by the investment properties over the period were k€332 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.

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

	2022	2021
Proceeds from disposals of assets	650	1,712
Carrying amount of assets sold or disposed of	-374	-250
Gains from disposals of investments in consolidated companies	-	-
Earn out adjustments	-	-
Impairment losses on goodwill	-	-
Gains on bargain purchases	-	-
TOTAL	**276**	**1,462**

Proceeds for disposals of assets and their related net carrying amount mainly include the disposal of a storage property located in Paris.

3.6. Other financial income and expenses

	2022	2021
Income from investments	-	-
Interest expense capitalized	1,189	3,495
Interest from assets and liabilities excluding cash equivalents	2,679	1,339
Discounting effect of liabilities and receivables	-107	72
Proceeds from disposals of financial assets	-	-
Accumulated impairment losses and financial provisions	-	-1
Foreign exchange gains and losses	4	-297
Changes in fair value	-63	-625
Other financial income and expenses	138	90
OTHER NET FINANCIAL INCOME/EXPENSES	**3,840**	**4,073**

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.

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 10 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.

Change in audiovisual rights

		MOVEMENTS OF THE PERIOD			
	12.31.22	+	-	OTHER[(1)]	12.31.21
Films and cinema rights	2,035,781	9,685	-137	26,953	1,999,280
Television series, dramas, and broadcasting rights	695,989	449	-	62,680	632,860
Animated films and series	307,404	-	-	30,604	276,800
Musical productions and publishing rights	2,942	-	-	-	2,942
Video games	1,525	-	-	-	1,525
Movies in production	22,535	16,836	-	-27,051	32,750
Television series and dramas in production	16,795	22,797	-134	-27,771	21,903
Animated films and series in production	4,050	15,449	-15	-25,747	14,363
Gross value	3,087,021	65,216	-286	39,668	2,982,423
Films and cinema rights	-1,980,985	-38,824	2,989	-	-1,945,150
Television series, dramas, and broadcasting rights	-695,071	-32,164	-	-33,189	-629,718
Animated films and series	-305,488	-29,683	-	-4,145	-271,660
Musical productions and publishing rights	-2,941	-	-	-	-2,941
Video games	-1,525	-	-	-	-1,525
Movies in production	-1,600	-1,600	3,400	-	-3,400
Television series and dramas in production	-	-	110	-	-110
Animated films and series in production	-	-	-	-	-
Accumulated amortization and impairment losses	-2,987,610	-102,271	6,499	-37,334	-2,854,504
NET VALUE	**99,411**	**-37,055**	**6,213**	**2,334**	**127,919**

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

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. Any negative margins resulting from this approach gave rise to impairment.

All of these impairment tests resulted in a total impairment of k€2,500.

Other changes include k€39,668 in foreign exchange gains and losses on the gross values of American and British series and k€ - 37,334 on the amortization of these series.

Commitments related to the production and distribution of audiovisual works

	12.31.22	12.31.21
Commitments given	79,266	114,213
Development and production of films and series	43,411	35,067
Fulfilment of order contract	35,855	79,145
Guarantees given for film and series productions	-	-
Commitments received	106,115	191,912
Purchases of rights and financing of projects and productions	69,790	102,126
Fulfilment of order contract	36,325	89,786

As of December 31, 2022, Gaumont and its subsidiaries had committed to invest k€79,267 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€106,115, 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.

	MATURITY			
	2023	2024	2025 AND BEYOND	TOTAL
French movie production and distribution	26,679	3,730	500	30,909
Audiovisual production and distribution	35,601	-	-	35,601
Line production	36,325	-	-	36,325
TOTAL	**98,605**	**3,730**	**500**	**102,835**

4.2. Other intangible assets

		MOVEMENTS OF THE PERIOD			
	12.31.22	+	-	OTHER[1]	12.31.21
Franchises, patents, licenses, brands and software	2,611	9	-41	-	2,643
Other intangible assets	-	-	-	-	-
Other intangible assets in progress	-	-	-	-	-
Advances and prepayments to suppliers	-	-	-	-	-
Gross value	2,611	9	-41	-	2,643
Franchises, patents, licenses, brands and software	-2,486	-41	41	-	-2,486
Other intangible assets	-	-	-	-	-
Accumulated amortization and impairment losses	-2,486	-41	41	-	-2,486
NET VALUE	**125**	**-32**	**-**	**-**	**157**

(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 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.

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 are 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.

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			
	12.31.22	+	-	OTHER(1)	12.31.21
Land	9,813	-	-	-	9,813
Buildings and fittings	25,011	342	-474	87	25,056
Plant, equipment, and machinery	1,474	1	-	-	1,473
Other property, plant, and equipment	9,818	484	-625	12	9,947
Investment properties	54,752	84	-	-	54,668
Right-of-use assets classified as investment properties	3,682	-	-	215	3,467
Right-of-use assets arising from leased properties	15,785	1,326	-	-649	15,108
Property, plant, and equipment in progress	51	17	-	-30	64
Gross value	120,386	2,254	-1,099	-365	119,596
Land	-	-	-	-	-
Buildings and fittings	-18,764	-540	203	-27	-18,400
Plant, equipment, and machinery	-1,346	-47	-	-1	-1,298
Other property, plant, and equipment	-7,088	-858	625	-8	-6,847
Investment properties	-11,132	-1,551	-	-148	-9,433
Right-of-use assets classified as investment properties	-3,416	-468	-	-16	-2,932
Right-of-use assets arising from leased properties	-8,472	-2,037	-	-102	-6,333
Accumulated amortization and impairment losses	-50,218	-5,501	828	-302	-45,243
NET VALUE	**70,168**	**-3,247**	**-271**	**-667**	**74,353**

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

The fair value of investment properties amounted to k€171,800 at December 31, 2022.

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.

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

	12.31.22	12.31.21
Commitments given	-	890
Guarantees	-	-
Real estate investments	-	890
Commitments received	57,890	62,150
Guarantees received	1,867	2,785
Real estate rental contracts	56,023	59,365

As of December 31, 2022, Gaumont benefited from lease commitments under leases agreed totaling k€56,023.

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

		MOVEMENTS OF THE PERIOD			
	12.31.22	+	-	OTHER(1)	12.31.21
Investments in non-consolidated entities	3	-	-	-	3
Loans, deposits and bonds and other non-controlling financial assets	64	36	-34	-101	163
Receivables and other non-current financial assets	-	-	-	-	-
Gross value	67	36	-34	-101	166
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	**67**	**36**	**-34**	**-101**	**166**

(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.

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

	2022	2021
Intangible assets		
• Reversals of impairment losses	6,350	2,468
• Allowances for depreciation, amortization and impairments	-102,312	-152,011
Subtotal	-95,962	-149,543
Property, plant and equipment		
• Reversals of impairment losses	102	43
• Allowances for depreciation, amortization and impairments	-5,501	-4,982
Subtotal	-5,399	-4,939
Current assets		
• Reversals of impairment losses	620	797
• Impairment allowances	-723	-564
Subtotal	-103	233
Risks and rewards		
• Reversals of provisions	5,335	156
• Provision allowances	-466	-809
Subtotal	4,869	-653
TOTAL	**-96,595**	**-154,902**

In 2022, amortization expense on intangible assets included k€47,874 for amortization of American audiovisual works, against k€83,723 in 2021.

Acquisitions of assets, excluding shares in consolidated companies

	2022	2021
Acquisition of intangible assets	65,225	115,271
Acquisition of property, plant, and equipment	928	4,963
Acquisition of non-controlling financial assets	36	21
TOTAL	**66,189**	**120,255**

Impact of changes in scope

No change in scope of consolidation had an impact on cash during the period.

Change in liabilities and receivables on investments

	12.31.22	CHANGE IN LIABILITIES ON INVESTMENTS	OTHER VARIATIONS[(1)]	12.31.21	CHANGE IN LIABILITIES ON INVESTMENTS	OTHER VARIATIONS[(1)]	12.31.20
Fixed assets liabilities	7,775	-3,838	377	11,236	2,327	285	8,624
Liabilities on acquisition of shares	-	-	-	-	-	-	-
Receivables on acquisition and disposal of equity investments	-	-	-	-	-	-	-
TOTAL	**7,775**	**-3,838**	**377**	**11,236**	**2,327**	**285**	**8,624**

(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		
	12.31.22	+	-	12.31.21
Semi-manufactured product inventories	69	7	-25	87
Merchandise inventories	961	18	-	943
Gross value	1,030	25	-25	1,030
Semi-manufactured product inventories	-26	-	8	-34
Merchandise inventories	-595	-622	557	-530
Impairment losses	-621	-622	565	-564
NET VALUE	**409**	**-597**	**540**	**466**

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.

	12.31.22	12.31.21
Trade receivables	98,642	108,980
Contract assets	3,824	1,741
Current financial assets	2,992	2,659
Advances and prepayments to suppliers	671	718
Payroll receivables	126	157
Tax receivables	13,101	15,083
Subsidies receivables	24,775	24,328
Current income tax assets	13,134	10,313
Current accounts	-	-
Receivables on asset sales	-	-
Other receivables	7,648	18,561
Derivatives	1,525	34
Prepaid expenses	1,007	849
Gross value	167,445	183,423
Trade receivables	-308	-283
Current financial assets	-	-
Current accounts	-	-
Other receivables	-651	-631
Impairment losses	-959	-914
NET VALUE	**166,486**	**182,509**
Maturities:		
• Less than 1 year	164,874	155,839
• 1 to 5 years	1,612	26,670
• 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.

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 include in particular receivables to be received for the productions *Westwall* and *German House*. Changes in contract assets are presented in note 5.4.

As of December 31, 2022, tax receivables are mainly representative of VAT to be received and include k€1,839 in tax credits for British productions.

Change in accumulated impairment losses

		MOVEMENTS OF THE PERIOD			
	12.31.22	+	-	OTHER[(1)]	12.31.21
Trade receivables	-308	-81	55	1	-283
Current financial assets	-	-	-	-	-
Current accounts	-	-	-	-	-
Other receivables	-651	-20	-	-	-631
DEPRECIATIONS	**-959**	**-101**	**55**	**1**	**-914**
Impact on current operating income		-101	55	-	
Impact on non-current operating income		-	-	-	
Impact on financial income		-	-	-	

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

5.3. Trade payables and other liabilities

	12.31.22	12.31.21
Tax liabilities	-	-
Current accounts	-	-
Payables on acquisitions	-	-
Other payables	-	-
Total other non-current liabilities	-	-
Trade payables	15,038	11,768
Liabilities on films and audiovisual rights	7,725	10,539
Advances and deposits received	553	95
Payroll liabilities	5,394	8,804
Tax liabilities	6,228	6,524
Current income tax liabilities	-	-
Current accounts	-	-
Payables on acquisitions	-	-
Liabilities on other property, plant and equipment and intangible assets	50	697
Payables on distribution of works	47,322	51,580
Other payables	21,177	20,833
Derivatives	-	24
Contract liabilities	40,855	45,463
Tax credit to be amortized	9,860	9,160
Deferred public grants	292	169
Deferred income	8,143	4,436
Total other current liabilities	162,637	170,092
TOTAL	**162,637**	**170,092**
Maturities:		
• Less than 1 year	162,419	169,870
• 1 to 5 years	13	14
• More than 5 years	205	208

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

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.

	MATURITY			
	2023	2024	2025 AND BEYOND	TOTAL
Movie production and distribution	13,992	6,150	2,934	23,076
Audiovisual production and distribution	8,757	5,354	-	14,111
Line production	3,668	-	-	3,668
TOTAL	**26,417**	**11,504**	**2,934**	**40,855**

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.

	12.31.22		12.31.21	
	CONTRACT ASSETS	CONTRACT LIABILITIES	CONTRACT ASSETS	CONTRACT LIABILITIES
POSITION AT BEGINNING OF YEAR	**1,741**	**45,463**	**4,409**	**33,864**
Income recognized for the year included in contract liabilities at the beginning of the year	-	-41,947	-	-33,786
Cash from unrecognized income for the year	-	34,407	-	40,999
Contract progress or alteration	2,083	1,098	-2,680	2,445
Currency translation adjustments	-	1,834	12	1,941
POSITION AT END OF YEAR	**3,824**	**40,855**	**1,741**	**45,463**

5.5. Changes in net working capital requirement

	2022	2021
Change in operating assets	20,390	-37,352
Change in operating liabilities	-9,961	21,540
Premiums paid on financial instruments	-963	-
Current income tax expense	-110	-1
Tax paid	-11,564	-10,311
Pension and similar benefits allowance	239	155
TOTAL	**-1,969**	**-25,969**

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).

	12.31.22	CHANGES IN WORKING CAPITAL REQUIREMENT	OTHER VARIATIONS(1)	12.31.21	CHANGES IN WORKING CAPITAL REQUIREMENT	OTHER VARIATIONS(1)	12.31.20
Inventories	409	-57	-	466	110	-	356
Trade receivables and contract assets	102,158	-12,220	3,940	110,438	21,785	3,800	84,853
Current non-controlling financial assets	2,992	245	88	2,659	2,085	58	516
Advances and prepayments to suppliers	671	-53	6	718	-652	6	1,364
Payroll receivables	126	-32	1	157	55	1	101
Tax receivables	13,101	-2,232	250	15,083	1,780	374	12,929
Subsidies receivables	24,775	447	-	24,328	748	-	23,580
Current income tax assets	13,134	2,754	67	10,313	1,491	80	8,742
Current accounts	-	-	-	-	-	-	-
Other receivables	6,997	-9,397	-1,536	17,930	10,055	67	7,808
Prepaid expenses	1,007	155	3	849	-105	12	942
ASSETS CONSTITUTING THE WORKING CAPITAL REQUIREMENT	**165,370**	**-20,390**	**2,819**	**182,941**	**37,352**	**4,398**	**141,191**

(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.

	12.31.22	CHANGES IN WORKING CAPITAL REQUIREMENT	OTHER VARIATIONS(1)	12.31.21	CHANGES IN WORKING CAPITAL REQUIREMENT	OTHER VARIATIONS(1)	12.31.20
Trade payables	15,038	3,314	-44	11,768	5,453	76	6,239
Advances and deposits received	553	458	-	95	-44	-	139
Payroll liabilities	5,394	-3,461	51	8,804	1,635	111	7,058
Tax liabilities	6,228	-289	-7	6,524	2,862	-	3,662
Current income tax liabilities	-	-	-	-	-	-	-
Current accounts	-	-	-	-	-	-	-
Other payables	68,499	-8,048	4,134	72,413	517	1,952	69,944
Deferred income and contract liabilities	59,150	-1,935	1,857	59,228	11,034	2,022	46,172
LIABILITIES THAT CONSTITUTE THE WORKING CAPITAL REQUIREMENT	**154,862**	**-9,961**	**5,991**	**158,832**	**21,457**	**4,161**	**133,214**

(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		
	12.31.22	+	-	12.31.21
Number of shares	3,119,923	-	-	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:

	2022	2021
Number of shares on January 1	3,119,876	3,119,876
Share capital increases relating to the exercise of stock options (prorata temporis)	-	-
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, 2022, Gaumont held 4,649 treasury shares traded under the liquidity contract and 200 registered shares for a total purchase value of k€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.

Outstanding option plans as per December 31, 2022, are detailed below.

	INITIAL GRANT		ADJUSTED GRANT		OPTIONS AT END OF PERIOD			
PLAN	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 2022, no dividend was paid out of the reserves and no options were exercised involving a change in the value of the options.

		EXERCISE PERIOD			MOVEMENTS OF THE PERIOD				
PLAN	GRANT DATE	START	END	12.31.22	ADJUSTED	GRANTED	CANCELED	SUBSCRIBED	12.31.21
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.

	2022	2021
Average number of ordinary shares	3,119,876	3,119,876
Dilutive effect of stock options	11,358	11,867
Average potential number of ordinary shares	3,131,234	3,131,743

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

	12.31.22	MOVEMENTS OF THE PERIOD WITH AN IMPACT ON THE CASH POSITION +	-	OTHER[1]	MOVEMENTS OF THE PERIOD WITHOUT AN IMPACT ON THE CASH POSITION CURRENCY TRANSLATION ADJUSTMENTS	CHANGE IN IFRS 16 ESTIMATES	OTHER[2]	12.31.21
Refinancing loan	22,167	27,888	-	-45	-	-	-5,676	-
Bonds	14,973	-	-	-	-	-	14	14,959
Production loans[3]	-	-	-	-	-	-	-30,953	30,953
Assignment of receivables	16,454	47,599	-	-	-	-	-30,821	-324
State-guaranteed loan	24,972	-	-	-	-	-	24,972	-
Financial contribution from the *Caisse des dépôts*	2,770	-	-	-	-	-	-569	3,339
Other loans and borrowings	161	-	-	-	8	-	-143	296
Non-current debt	81,497	75,487	-	-45	8	-	-43,176	49,223
Refinancing loan	9,164	9,612	-4,687	-	-	-	4,239	-
Bonds	-	-	-	-	-	-	-	-
Production loans[3]	539	4,650	-49,438	-	3,274	-	31,148	10,905
Assignment of receivables	-	-	-30,537	-	-296	-	30,965	-132
State-guaranteed loan	-	-	-	-	-	-	-24,963	24,963
Financial contribution from the *Caisse des dépôts*	618	-	-619	-	-	-	569	668
Other loans and borrowings	995	-	-23	-	-	-	143	875
Bank overdraft	24	-145	-	-	3	-	-	166
Accrued interest	314			-	3	-	80	231
Current debt	11,654	14,117	-85,304	-	2,984	-	42,181	37,676
Lease liabilities – non-current	5,195	-	-	-	298	-1,045	-1,303	7,245
Lease liabilities – current	2,518	-	-2,889	-	70	-	2,630	2,707
Lease liabilities	7,713	-	-2,889	-	368	-1,045	1,327	9,952
FINANCIAL LIABILITIES AND LEASE LIABILITIES	**100,864**	**89,604**	**-88,193**	**-45**	**3,360**	**-1,045**	**332**	**96,851**

(1) Loan fees paid.
(2) Depreciation and amortization of loan issue costs, new lease liabilities, reclassifications and change in accrued interest.
(3) 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.

REPAYMENT SCHEDULE

		MATURITY DATE		
	12.31.22	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS
Refinancing loan	31,331	9,164	22,167	-
Bonds	14,973	-	14,973	-
Production loans	539	539	-	-
Assignment of receivables	16,454	-	16,454	-
State-guaranteed loan	24,972	-	24,972	-
Financial contribution from the *Caisse des dépôts*	3,388	618	2,770	-
Other loans and borrowings	1,156	995	51	110
Lease and finance lease liabilities	7,713	2,518	4,823	372
TOTAL(1)	**100,526**	**13,834**	**86,210**	**482**

(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

	12.31.22	FRANCE	EUROPE	AMERICAS
Refinancing loan	31,331	31,331	-	-
Bonds	14,973	14,973	-	-
Production loans	539	-	539	-
Assignment of receivables	16,454	-	-	16,454
State-guaranteed loan	24,972	24,972	-	-
Financial contribution from the *Caisse des dépôts*	3,388	3,388	-	-
Other loans and borrowings	1,156	1,026	-	130
Lease and finance lease liabilities	7,713	1,185	1,206	5,322
TOTAL(1)	**100,526**	**76,875**	**1,745**	**21,906**

(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 loan has two separate tranches. The first tranche was repaid during the 2021 fiscal year. The characteristics of the second tranche are presented below.

Listing market	Euronext Paris
ISIN	FR0012303188
Par value	k€15,000
Maturity	10 years
Maturity	November 14, 2024
Annual coupon	5.125%
Payment of the coupon	Annually in arrears
Repayment	*In fine – no premium*
Guarantees	None
Covenants	3 covenants to be respected every six months

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

Effective interest rate

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

	12.31.22	12.31.21
Before hedging instruments	5.31%	5.22%
After hedging instruments	-	-

Average interest rate

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

	2022	2021
Before hedging instruments	5.13%	4.85%
After hedging instruments	-	-

LOAN AGREEMENT

On May 31, 2021, Gaumont entered into a five-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 line 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 bond 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.

The refinancing loan was fully drawn during 2022. As a result, loan costs, recognized in other current assets in 2021, have been included in the cost of debt using the effective interest rate method. They will be amortized over the life of the revolving credit line and the refinancing loan.

Effective interest rate

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

	12.31.22	12.31.21
Before hedging instruments	4.11%	-
After hedging instruments	4.29%	-

Average interest rate

The changes in the refinancing loan average interest rate are presented below:

	2022	2021
Before hedging instruments	2.16%	-
After hedging instruments	2.09%	-

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 with the same banking pool. The loan remuneration is equal to zero 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.

The State-guaranteed loan was reclassified as non-current following the postponement of its maturity to 2027.

Effective interest rate

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

	12.31.22	12.31.21
Before hedging instruments	1.35%	0.92%
After hedging instruments	1.39%	-

Average interest rate

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

	2022	2021
Before hedging instruments	0.53%	0.00%
After hedging instruments	0.52%	-

PRODUCTION LOANS

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

Production loans for American audiovisual works

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 are delivered in full.

Production loans outstanding at December 31, 2021, were repaid over the period. No new production loans were taken out in 2022.

Production loans for European audiovisual works

(in thousands of euros)

SERIES	RECIPIENT	LENDER	SUBSCRIPTION	MATURITY	TOTAL AMOUNT AUTHORIZED	REMAINING AMOUNT AVAILABLE	POSITION AT 12.31.22	POSITION AT 12.31.21
Die Wespe season 2	Gaumont GmbH	DZ Bank AG	07.28.20	Indefinite	9,000	8,462	539	248
TOTAL					**9,000**	**8,462**	**539**	**248**

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.

ASSIGNMENT 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 as follow:

- 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 12.31.22	POSITION AT 12.31.21
American television programs	146,608	32,883	32,843	40	50,000	1,576	17,915	-
TOTAL	**146,608**	**32,883**	**32,843**	**40**	**50,000**	**1,576**	**17,915**	**-**

As of December 31, 2022, the amount of drawdowns available was k$1,576.

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.

Effective interest rate

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

	12.31.22	12.31.21
Before hedging instruments	4.60%	-
After hedging instruments	-	-

Average interest rate

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

	12.31.22	12.31.21
Before hedging instruments	6.44%	6.31%
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, 2022, the restoration program is completed. The outstanding debt to *Caisse des dépôts et consignations* stands at k€3,388.

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.

	12.31.22	12.31.21
Cash equivalents	60,000	-
Bank accounts and petty cash	56,755	92,108
TOTAL	**116,755**	**92,108**

As of December 31, 2022, cash equivalents include term deposits for an amount of k€60,000 which may be withdrawn in part or in full, early and without penalty on the capital deposited.

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

Financing commitments

	12.31.22	12.31.21
Commitments given	13,326	60,539
Assignment of receivables as loan security	38	495
Pledging of assets	13,288	60,043
Commitments received	72,440	118,353
Unused credit facility	72,440	118,353

Unused credit facilities consist of:

- k€8,462 in respect of production loans arranged for European activities;
- k$1,576 for the receivables' assignment agreement entered into by Gaumont USA Inc.;
- k€62,500 for the revolving credit line included in the loan agreement.

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, 2022, they had a net value of k€5,963.

As collateral for the loan agreement, Gaumont pledged 34 works for a total net value of k€7,325.

At December 31, 2022, the pledges made by Gaumont had a total net carrying amount of k€13,288.

TYPE OF PLEDGES/MORTGAGES	12.31.22	12.31.21
On intangible assets	13,288	18,117
On property, plant and equipment	-	-
On non-controlling financial assets	-	-
On receivables	-	39,418
On cash accounts	-	2,508
TOTAL	**13,288**	**60,043**

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

		MATURITY		
TYPE OF PLEDGES/MORGAGES	12.31.22	LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS
On intangible assets	13,288	-	13,288	-
On property, plant, and equipment	-	-	-	-
On non-controlling financial assets	-	-	-	-
On receivables	-	-	-	-
On cash accounts	-	-	-	-
TOTAL	**13,288**	**-**	**13,288**	**-**

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, 2022, exposure to credit risk was as follows:

			RECEIVABLES OWING					
	12.31.22	OUTSTANDING	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	72,169	58,964	6,328	2,504	260	837	1,485	1,791
Net receivables on movies and series	4,953	4,953	-	-	-	-	-	-
TOTAL	**77,122**	**63,917**	**6,328**	**2,504**	**260**	**837**	**1,485**	**1,791**

Liquidity risk

BONDS

The bond issue, for which the second tranche of k€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, 2022, 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 6.19 and 0.41.

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 1.1 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, 2022, given 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 -0.14.

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, 2022, Gaumont's debt in France mainly consisted of a fixed-rate bond issue of k€15,000, a State-guaranteed loan of k€25,000, a refinancing loan of k€32,813 and available cash of k€83,979.

In the United States, the Group finances its productions by drawing on dedicated production loans 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 audiovisual 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, 2022, the Group's interest rate exposure was as follows:

		MATURITY SCHEDULE		
	12.31.22	LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS
Fixed-rate financial assets	-	-	-	-
Variable-rate financial assets	116,755	116,755	-	-
Financial assets not exposed	-	-	-	-
Financial assets[1]	116,755	116,755	-	-
Fixed-rate financial liabilities	-26,074	-3,136	-22,566	-372
Variable-rate financial liabilities	-73,296	-9,703	-63,593	-
Financial liabilities not exposed	-1,494	-1,333	-51	-110
Financial liabilities[2]	-100,864	-14,172	-86,210	-482

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

At December 31, 2022, Gaumont had entered into interest rate cap contracts for a nominal amount of k€57,813 in order to hedge against the increase in the Euribor under the loan agreement and the State-guaranteed loan. Details of the maturities and fair values of these contracts are presented below.

		MATURITY SCHEDULE			
	12.31.22	LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	FAIR VALUE
Caps rate	57,813	-	57,813	-	552
TOTAL	**57,813**	**-**	**57,813**	**-**	**552**

The net exposure to interest rate risk is as follows:

	TOTAL	FIXED RATE	VARIABLE RATE	NOT EXPOSED
Financial assets[1]	116,755	-	116,755	-
Financial liabilities[2]	-100,864	-26,074	-73,296	-1,494
Net position before hedging	15,891	-26,074	43,459	-1,494
Hedging	-	-57,813	57,813	-
Net position after hedging	15,891	-83,887	101,272	-1,494
Sensitivity	-1,013	-	-1,013	-

(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 2022, revenue invoiced in a currency other than that of the company behind the transaction amounted to k€11,808, or 5.4% of total revenue.

(in thousands of euros)	TOTAL	USD	GBP	AUD	CAD	JPY	CHF	EUR[1]	MISCELLANEOUS
Revenue	11,808	7,703	251	167	122	65	53	3,399	48

(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.

At December 31, 2022, 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	ILS/EUR	AUD/EUR	OTHER/EUR
Assets	1,167	1,096	21	28	15	-	7
Liabilities	-2,031	-2,005	-	-	-	-20	-6
Off-balance sheet	-	-	-	-	-	-	
Net position before hedging	-864	-909	21	28	15	-20	1
Hedging	-	-	-	-	-	-	
Net position after hedging	-864	-909	21	28	15	-20	1
Sensitivity	86	91	-2	-3	-2	2	-

An across-the-board 10% decrease in all of the above-mentioned currencies against the euro would have a positive impact of k€86 on the Group's net income.

	RISK RELATED TO A CHANGE IN THE DOLLAR VALUE		
	TOTAL *(in thousands of us dollars)*	MXN/USD	JPY/USD
Assets	881	845	36
Liabilities	-	-	-
Off-balance sheet	-	-	-
Net position before hedging	881	845	36
Hedging	-	-	-
Net position after hedging	881	845	36
Sensitivity	-89	-85	-4

An across-the-board 10% decrease in all of the above-mentioned currencies against the US dollar would have a negative impact of k$89 on the Group's net income.

At December 31, 2022, the Group's exposure to financial foreign exchange risk was as follows:

	RISK RELATED TO A CHANGE IN THE EURO VALUE			RISK RELATED TO A CHANGE IN THE DOLLAR VALUE	
	TOTAL *(in thousands of euros)*	USD/EUR	GBP/EUR	TOTAL *(in thousands of us dollars)*	MXN/USD
Assets	792	697	95	1,003	1,003
Liabilities	-1,615	-	-1,615	-	-
Off-balance sheet	-	-	-	-	-
Net position before hedging	-823	697	-1,520	1,003	1,003
Hedging	-	-	-	-	-
Net position after hedging	-823	697	-1,520	1,003	1,003
Sensitivity	82			-100	

A 10% decrease in the US dollar and the pound sterling against the euro would have a negative impact of k€82 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, 2022, the Group's foreign exchange risk from foreign investments was as follows:

(in thousands of euros)	USD/EUR	GBP/EUR
Assets	157,768	8,655
Liabilities	-196,709	-14,864
Off-balance sheet	3,548	1,672
Net position before hedging	-35,393	-4,537
Hedging	83,605	10,343
Net position after hedging	48,212	5,806
Sensitivity to 10% variation	-4,821	-581

A 10% decrease in the US dollar against the euro would have a negative impact of k€4,821 and a 10% decrease in the pound sterling would have a negative impact of k€581 on the Group's equity.

At December 31, 2022, 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$32,783.

In 2022, the current accounts contributed by Gaumont SA to its American subsidiary Gaumont USA Inc. and British subsidiary Gaumont Ltd were qualified as hedges on net foreign investment. The par value of these current accounts was k$56,390 and k£9,173 respectively at December 31, 2022.

EQUITY RISK

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

At December 31, 2022, 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.

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 2022, the Group used currency derivatives to hedge its exposure to fluctuations in the Euribor.

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

	12.31.22		12.31.21	
	ASSETS	LIABILITIES AND EQUITY	ASSETS	LIABILITIES AND EQUITY
Interest rate derivatives	1,525	-	-	-
Foreign exchange derivatives	-	-	34	24
TOTAL	**1,525**	**-**	**34**	**24**

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

	12.31.22	OTHER COMPREHENSIVE INCOME	NET INCOME	CURRENCY TRANSLATION ADJUSTMENTS	PREMIUMS PAID	RECLASSIFICATION	12.31.21
Derivative instruments – assets	1,525	615	-63	-	963	-24	34
Derivative instruments – liabilities	-	-	-	-	-	24	-24
TOTAL	**1,525**	**615**	**-63**	**-**	**963**	**-**	**10**

At December 31, 2022, derivatives designated as hedging instruments against the Group's foreign exchange exposure have the following characteristics:

	START	MATURITY	NOTIONAL AMOUNT *(in k€)*
Call option on interest rates	07.06.22	08.29.25	19,688
Call option on interest rates	11.03.22	05.29.26	13,125
Call option on interest rates	12.05.22	06.03.27	25,000
TOTAL			**57,813**

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.

	12.31.22		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	HIERARCHICAL LEVEL
Investments in non-consolidated entities	3	3	-	3	-	-	-	N/A
Other non-current financial assets	64	64	-	-	64	-	-	N/A
Other current financial assets	163,954	163,954	-	-	163,954	-	-	N/A
Derivative instruments – assets	1,525	1,525	-	-	-	-	1,525	2
Cash and cash equivalents	116,755	116,755	116,755	-	-	-	-	1
Financial assets	282,301	282,301	116,755	3	164,018	-	1,525	
Non-current borrowings	86,692	86,692	-	-	-	86,692	-	N/A
Other non-current financial liabilities	-	-	-	-	-	-	-	N/A
Current borrowings	14,172	14,172	-	-	-	14,172	-	N/A
Other current financial liabilities	103,487	103,487	6,093	-	-	97,394	-	3 / N/A
Derivative instruments – liabilities	-	-	-	-	-	-	-	2
Financial liabilities	204,351	204,351	6,093	-	-	198,258	-	

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€6,093 measured at fair value through profit and loss. This liability represents Gaumont's commitment to repurchase 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 settlement of this commitment is expected in the first half of 2023. 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, 2022, the impact on net income of the discounted fair value of this commitment was k€ - 2,012.

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

	12.31.21		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	HIERARCHICAL LEVEL
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	

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

		MOVEMENTS OF THE PERIOD				
	12.31.22	INCREASES	USES	REVERSALS[1]	OTHER[2]	12.31.21
Provisions for pension and similar benefits	4,037	443	-5	-199	-1,163	4,961
Provisions for legal proceedings with personnel	-	-	-	-	-4,741	4,741
Non-current provisions	4,037	443	-5	-199	-5,904	9,702
Provisions for legal proceedings relating to intellectual property rights over works	600	300	-	-	-	300
Provisions for legal proceedings with personnel	654	117	-5,294	-41	5,112	760
Provisions for commercial legal proceedings	49	49	-	-	-	-
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	-	-	-	-	137
Current provisions	1,440	466	-5,294	-41	5,112	1,197
TOTAL	**5,477**	**909**	**-5,299**	**-240**	**-792**	**10,899**
Impact on current operating income		909	-5,299	-240	-	
Impact on non-current operating income		-	-	-	-	
Impact on share of net income of associates		-	-	-	-	
Impact on other comprehensive income		-	-	-	-792	

(1) Unused amounts.
(2) Changes in scope, transfers between items, foreign exchange gains and losses, actuarial gains or losses.

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, 2022, 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, 2022.

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 an order by the Judicial Court dismissing the opposing party, the application for summary proceedings was appealed. Since then, all these cases have been struck off by the Judicial Court and Paris Court of Appeal.

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.

All these proceedings have been expunged for lack of diligence on the part of the plaintiff. The proceedings will expire in two years from the expungement orders.

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 for the pension commitment reviewed at each end of period, based on long-term private sector corporate bonds (*Euro zone AA rated corporate bonds +10 years*).

The total commitments are spread over each of the past and future years that resulted in the granting of rights to the plan. Note that if these rights are capped or obtained in stages, they are granted 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.

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

	12.31.22	12.31.21
Pensions	4,037	4,762
Seniority bonuses	-	199
TOTAL	**4,037**	**4,961**

As of December 31, 2022, seniority bonuses were reversed.

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

	12.31.22	12.31.21
Expected payments in the next 10 years		
• Less than 1 year	502	456
• 1 to 5 years	700	389
• 5 to 10 years	3,234	2,534
AVERAGE DURATION OF THE COMMITMENT *(in years)*	**10.86**	**13.11**

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

	2022			2021		
	PENSIONS	SENIORITY BONUSES	TOTAL	PENSIONS	SENIORITY BONUSES	TOTAL
ACTUARIAL LIABILITY AT THE BEGINNING OF THE YEAR	**4,762**	**199**	**4,961**	**4,791**	**185**	**4,976**
Current service cost	402	-	402	401	19	420
Plan amendment	-	-199	-199	-89	-	-89
Benefits paid	-	-	-	-171	-2	-173
Service cost	**402**	**-199**	**203**	**141**	**17**	**158**
Discounting effect	36	-	36	30	1	31
Interest expense	**36**	**-**	**36**	**30**	**1**	**31**
Actuarial gains and losses recognized in net income	**-**	**-**	**-**	**-**	**-**	**-**
Net expense recognized in income	438	-199	239	171	18	189
Experience gains/losses	90	-	90	-119	-1	-120
Changes in demographic assumptions	4	-	4	1	-	1
Changes in financial assumptions	-1,257	-	-1,257	-82	-3	-85
Actuarial gains and losses recognized in comprehensive income	**-1,163**	**-**	**-1,163**	**-200**	**-4**	**-204**
Amounts recognized in other comprehensive income	-1,163	-	-1,163	-200	-4	-204
Changes in scope	-	-	-	-	-	-
ACTUARIAL LIABILITY AT THE END OF THE YEAR	**4,037**	**-**	**4,037**	**4,762**	**199**	**4,961**

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

	PENSIONS	
	12.31.22	12.31.21
Discount rate	3.10%	0.80%
Expected return on plan assets	0.00%	0.00%
Inflation rate	2.20%	1.90%
Average expected increase in salaries	2.53%	2.38%

Applying the actuarial assumptions, the expected expenses for 2023 break down as follows:

	2023
	PENSIONS
Current service cost	291
Plan amendment	-
Service cost	291
Discounting effect	117
Interest expense	117
EXPECTED EXPENSE FOR THE PERIOD	**408**

The table below shows the sensitivity of the commitment and future charge to a hundred 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.

	PENSIONS	
ASSUMPTIONS	PRESENT VALUE OF LIABILITY	SERVICE COST IN 2023
Discount rate (Basic rate: 3.10%)		
2.10%	464	47
4.10%	-388	-38

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

	2022	2021
Net income of companies before tax	-12,215	997
Current tax rate applicable to the parent company	25.00%	26.50%
Theoretical tax	3,054	-264
Reduced tax rate differentials	-	-
Effect of change in rates on temporary differences	187	-
Tax rate differentials between France and abroad	-343	100
Share of net income of associates	-	-
Permanent differences	970	-345
Impact of capping deferred tax assets at the amount of deferred tax liabilities	3,445	-361
Long-term gains on disposals of consolidated shares	-	-
Change in unrecognized tax loss carryforwards	-11,334	-1,784
Tax consolidation	231	377
Tax credits in operating income[(1)]	3,777	2,321
Income tax without base and tax credits	-109	-1
Effective tax benefit (expense)	-122	43
Effective tax rate	-1.00%	-4.29%

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

Breakdown of the tax expense or benefit

	2022	2021
Current income tax	-110	-1
Deferred tax	-12	44
TOTAL TAXES	**-122**	**43**

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, Éditions 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€ 232 for the year.

DEFERRED TAX

The rate used to calculate deferred tax is as follows:

	2022	2021
Standard tax rate for French companies	25.00%	25.00%
Tax rate for companies based in Germany	32.45%	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, United States	28.00%	28.00%

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:

	12.31.22	EFFECT ON COMPREHENSIVE INCOME	OTHER CHANGES(1)	12.31.21
Deferred tax assets	5,121	1,589	69	3,463
Deferred tax liabilities	-4,682	-1,467	-84	-3,131
NET DEFERRED TAX	**439**	**122**	**-15**	**332**

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

The origin of the net deferred tax is presented below:

	12.31.22	EFFECT ON COMPREHENSIVE INCOME	OTHER CHANGES(1)	12.31.21
Recognized unused tax losses	7,053	1,635	-11	5,429
Fair value of films	-396	251	-	-647
Fair value of land and buildings	-5,036	-	-	-5,036
Accelerated amortization of films	217	-10	-	227
Other temporary differences	-1,399	-1,754	-4	359
NET DEFERRED TAX	**439**	**122**	**-15**	**332**

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

As of December 31, 2022, 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€93,440.

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, 2022, recognized losses for the tax consolidation group were k€23,587, compared with k€17,604 at the end of 2021.

As of December 31, 2022, the previous tax loss carryforwards of European companies and French companies not benefiting from the fiscal consolidation regime amounted to k€4,246. 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 amounting to k€1,079. 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, 2022, the losses activated for the American companies are nil.

Income tax on other comprehensive income

	2022			2021		
	GROSS AMOUNT	TAX EFFECT	NET AMOUNT	GROSS AMOUNT	TAX EFFECT	NET AMOUNT
Translation adjustments of foreign operations	-2,546	-	-2,546	-4,144	-	-4,144
Change in fair value of available-for-sale financial assets	-	-	-	-	-	-
Change in fair value of hedging financial instruments	-1,702	425	-1,277	2,408	-616	1,792
Changes in asset revaluation surplus	-	-	-	-	-	-
Actuarial gains (losses) on defined benefit plans	1,163	-291	872	170	-42	128
Share in other comprehensive income of associates	-	-	-	-	-	-
TOTAL	**-3,085**	**134**	**-2,951**	**-1,566**	**-658**	**-2,224**

9.2. Statutory auditors' fees

The fees of the statutory auditors and members of their network paid by the Group in 2021 and 2022 are as follows:

	TOTAL				ADVOLIS				EY			
	2022		2021		2022		2021		2022		2021	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Auditing												
Certification and review of separate and consolidated financial statements												
• Issuer	330	62%	283	55%	125	86%	98	71%	205	53%	185	50%
• Consolidated subsidiaries	206	38%	200	39%	21	14%	35	25%	185	47%	165	44%
Related services												
• Issuer	-	0%	18	4%	-	0%	5	4%	-	0%	13	3%
• Consolidated subsidiaries	-	0%	10	2%	-	0%	-	0%	-	0%	10	3%
TOTAL	**536**	**100%**	**511**	**100%**	**146**	**100%**	**138**	**100%**	**390**	**100%**	**373**	**100%**

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

9.3. Subsequent events

No event likely to have a material impact on the consolidated financial statements presented above has occurred since December 31, 2022.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2022

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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, 2022.

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 2022 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.

Justification of Assessments - Key Audit Matters

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	The feature films and animations, as well as audiovisual series produced or distributed by your group are fixed assets whose net amount totals €99.4 million in your group's consolidated financial statements as at December 31, 2022. 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. 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. The uncertainty concerning the movie theater attendance 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 2023. 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. We therefore considered these estimates to be a key audit matter.
Our response	Our work consisted in: • 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 industry uncertainty, 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 2023, 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	As at December 31, 2022, your group's revenue is composed of licences and distribution royalties amounting to a total of €218 million. 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. 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. 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. 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.
Our response	Our work consisted in: • 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: • 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 relating to the Group 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.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Furthermore, 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, 2022, ADVOLIS was in its eighth year and ERNST & YOUNG et Autres in its twelfth 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 18, 2023

The Statutory Auditors

French original signed by

ADVOLIS	ERNST & YOUNG et Autres
Hugues de Noray	Béatrice Belle

3 INFORMATION ON CORPORATE OFFICERS

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, 2022: 526

Voting rights at December 31, 2022: 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 pirating). 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 *Association de Lutte contre la Piraterie Audiovisuelle* (ALPA) – an association to combat audiovisual pirating)
- **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, 2022: 1,165

Voting rights at December 31, 2022: 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 Hunnebelle), *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 also 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*, *Bye Morons* and *Lost Illusions*. 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 had set up subsidiaries in the United States, Germany and the United Kingdom and re-engaged 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 and *Jour Premier Production* SAS (since September 2022)
- **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 *Éditions la Marguerite* SARL, Gaumont Production SARL, Gaumont Production Animation SARL and *Gaumont Production Télévision* SARL
- **Chairman of Board of Directors** and **Chief Executive Officer** of Gaumont SRL (Italy) (since December 2022)

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)
- **Board member** of the *Forum des Images association*
- **Member of the Board of directors** of the Canneseries-Affis association and the Cannes Film Festival
- **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 5 years

- **Member of the Supervisory board** of Banque Neuflize OBC SA (end September 2022)
- **Sole Director** of Gaumont SRL (Italy) (end December 2022)
- **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 Éditions de Films* SARL (end May 2018), *Gaumont Animation Musique* SARL (end July 2019), *Mitzé Éditions* 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)

ANTOINE GALLIMARD

Independent Director
Born on April 19, 1947
French national
Number of Gaumont shares held at December 31, 2022: 400
Voting rights at December 31, 2022: 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 Éditions Gallimard (1981) and since 1988, Chairman and Chief Executive Officer.

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

Since 2012, Chairman of the association *Les 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 *Éditions Gallimard* SA
- **Board member** of *Groupe Eyrolles* SA and Flammarion SA
- **Board Member and Chairman** of Marigold SAS
- **Chairman** of Mody-Dick NRF SAS and Moby-Dick NRF II SAS (since June 2022)
- **Permanent representative** of *Éditions Gallimard* SA on the Board of directors of *POL Éditeur* SA and of Madrigall SA on the Board of directors of *Mercure de France* SA
- **Manager** of *Le Square Librairie de l'Université* SARL
- **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)
- **Chairman** of the association *Les Petits Champions de la Lecture*

Functions and offices ceased within the last 5 years

- **Permanent representative** of Magridall SA on the Board of directors of *Éditions de Minuit* SA (end June 2022)

FÉLICITÉ HERZOG

Independent Director
Born on April 23, 1968
French national
Number of Gaumont shares held at December 31, 2022: 10
Voting rights at December 31, 2022: 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). Participates in the Strategic committee of Capza, an investment fund supported by Axa (June 2019 to June 2021).

Since September 2019, Strategy and Innovation Director at Vivendi group. Since 2018, Member of the Board of directors of the Friends of the Paris Museum of Modern Art and of the Scientific committee of *Dialogues franco-italiens pour l'Europe*.

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 2024 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 5 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 control committee** of Telecom Italia SPA (end 2018)

FLEUR PELLERIN

Independent Director
Born on August 29, 1973
French national
Number of Gaumont shares held at December 31, 2022: 10
Voting rights at December 31, 2022: 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 Economiques et Commerciales* (ESSEC), of 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 (listed company), KLM SAS, Talan SAS, Devialet SA, Ledger SAS and Stanhope Capital
- **Board member** of the Canneseries, *Eurockéennes* and *France Digitale* associations
- **Board member** of I2PO SPAC (listed company), in the entertainment sector alongside François Henri Pinault, Iris Knobloch and Matthieu Pigasse
- **Chairwoman of the Mission committee** of *Crédit Mutuel Alliance Fédérale* (since January 2022)

Functions and offices ceased within the last 5 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 on September 11, 1947
French national
Number of Gaumont shares held at December 31, 2022: 580
Voting rights at December 31, 2022: 1,160

Business address

85, rue de Sèvres
75006 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: *F as 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), *Heart of Oak*, directed by Laurent Charbonnier and Michel Seydoux (2022) and *L'Amitié*, directed by Alain Cavalier (2023).

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 and Wind SAS (since May 2022)
- **Manager** of Camera One SARL, FMS SNC, *La Serdinière* SARL and Cojumi SC
- **Managing Partner** of *Liberté 25 Citadelle* SC

Functions and offices ceased within the last 5 years

- **Managing Board member** of Gestion du 14 Août INC, *Productions Euréka!* INC, 9184-1031 Québec INC and 9098-2158 Québec INC (Canada) (end June 2022)
- **Chairman** of *Les Cabrettes* SAS (end June 2019), Citadelle Invest SAS (end September 2020) and Socle SAS (end June 2020)
- **Liquidator** of Socle SAS (June to October 2020)
- **Manager** of JSI SC (end March 2018) and Camera One Musique SARL (end June 2022)

PÉNÉLOPE SEYDOUX

Born on May 25, 1966

French national

Number of Gaumont shares held at December 31, 2022: 530

Voting rights at December 31, 2022: 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

Independent Director
Born on July 21, 1946
French national
Number of Gaumont shares held at December 31, 2022: 123
Voting rights at December 31, 2022: 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)

JEAN TODT

Independent Director
Born on February 25, 1946
French national
Number of Gaumont shares held at December 31, 2022: 500
Voting rights at December 31, 2022: 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), Head of Sporting activities for the PSA Peugeot Citroën group (1990). Ferrari SPA: Head of Sports management for Ferrari (1993-2004), Head of all sports 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 (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 2022 compensation of corporate officers

2022 compensation of corporate officers and equity ratios

The compensation and benefits of any kind paid in 2022 or granted in respect of 2022 to corporate officers are in accordance with the compensation policy adopted by the General Meeting of May 5, 2022, in its fifth resolution (adopted with 98.93% of the votes for and 1.07% of the votes against) and are part of the company's long-term development strategy.

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 2022, or granted for fiscal year 2022.

			2022				2021			
(in euros)	TITLE	COMPENSATION[1]	AMOUNTS PAID IN 2022[3]	PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION	MAXIMUM AMOUNTS GRANTED FOR 2022[3]	PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION	AMOUNTS PAID IN 2021[3]	PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION	MAXIMUM AMOUNTS GRANTED FOR 2021	PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION
Nicolas Seydoux	Chairman of the Board of directors	Fixed compensation	750,000	100%	750,000	100%	750,000	100%	750,000	100%
	Chairman of the Appointments and compensation committee	Variable compensation[2]	-		-		-		-	
		TOTAL	**750,000**		**750,000**		**750,000**		**750,000**	
Sidonie Dumas	Chief Executive Officer	Fixed compensation	750,000	100%	750,000	100%	750,000	100%	750,000	100%
	Board member	Variable compensation[2]	-		-		-		-	
		TOTAL	**750,000**		**750,000**		**750,000**		**750,000**	
Antoine Gallimard	Board member	Fixed compensation	14,762	66.0%	14,762	66.0%	15,500	60.8%	44,286	66.0%
	Member of the Appointments and compensation committee	Variable compensation	7,619	34.0%	7,619	34.0%	10,000	39.2%	22,857	34.0%
		TOTAL	**22,381**		**22,381**		**25,500**		**67,143**	
Félicité Herzog	Board member	Fixed compensation	14,762	70.8%	14,762	66.0%	15,500	64.4%	44,286	70.8%
	Member of the Audit committee	Variable compensation	6,095	29.2%	7,619	34.0%	8,571	35.6%	18,286	29.2%
		TOTAL	**20,857**		**22,381**		**24,071**		**62,571**	
Fleur Pellerin	Board member	Fixed compensation	6,857	69.2%	11,429	78.9%	-		20,571	69.2%
		Variable compensation	3,048	30.8%	3,048	21.1%	-		9,143	30.8%
		TOTAL	**9,905**		**14,476**		**-**		**29,714**	
Michel Seydoux	Board member	Fixed compensation	14,762	66.0%	14,762	66.0%	15,500	60.8%	44,286	66.0%
	Member of the Appointments and compensation committee	Variable compensation	7,619	34.0%	7,619	34.0%	10,000	39.2%	22,857	34.0%
		TOTAL	**22,381**		**22,381**		**25,500**		**67,143**	

(in euros)	TITLE	COMPENSATION(1)	2022 AMOUNTS PAID IN 2022(3)	2022 PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION	2022 MAXIMUM AMOUNTS GRANTED FOR 2022(3)	2022 PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION	2021 AMOUNTS PAID IN 2021(3)	2021 PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION	2021 MAXIMUM AMOUNTS GRANTED FOR 2021	2021 PERCENTAGE OF THE FIXED AND VARIABLE COMPENSATION
Pénélope Seydoux	Board member	Fixed compensation	14,762	70.8%	14,762	70.8%	15,500	60.8%	44,286	70.8%
	Member of the Audit committee	Variable compensation	6,095	29.2%	6,095	29.2%	10,000	39.2%	18,286	29.2%
		TOTAL	**20,857**		**20,857**		**25,500**		**62,571**	
Marc Tessier	Board member	Fixed compensation	18,095	70.4%	18,095	70.4%	19,000	68.9%	54,286	70.4%
	Chairman of the Audit committee	Variable compensation	7,619	29.6%	7,619	29.6%	8,571	31.1%	22,857	29.6%
		TOTAL	**25,714**		**25,714**		**27,571**		**77,143**	
Jean Todt	Board member	Fixed compensation	11,429	65.2%	11,429	65.2%	12,000	54.5%	34,286	65.2%
		Variable compensation	6,095	34.8%	6,095	34.8%	10,000	45.5%	18,286	34.8%
		TOTAL	**17,524**		**17,524**		**22,000**		**52,571**	
TOTAL ALL CORPORATE OFFICERS			**1,639,619**		**1,645,714**		**1,650,143**		**1,918,857**	

(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. No variable compensation was granted to the managing corporate officers for the 2020 and 2021 fiscal years.
(3) The compensation paid takes into account the partial waiver by Board members of the compensation due to them in respect of 2020, 2021 and 2022, 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 its members for 2022 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	MEDIAN EMPLOYEE COMPENSATION	MINIMUM WAGE
2022 *(in euros)*	750,000	750,000	67,430	50,000	19,744
Ratio 1	11.12	11.12			
Ratio 2	15.00	15.00			
Ratio 3	37.99	37.99			

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.

(in euros)	2022	2021	2020	2019	2018
Compensation of the Chairman of the Board of directors	750,000	750,000	743,565	750,000	750,000
Ratio 1	11.12	11.73	11.81	13.78	14.34
Ratio 2	15.00	15.96	17.10	18.19	18.75
Ratio 3	37.99	40.21	40.25	41.09	41.71
Compensation of the Chief Executive Officer	750,000	750,000	743,565	750,000	750,000
Ratio 1	11.12	11.73	11.81	13.78	14.34
Ratio 2	15.00	15.96	17.10	18.19	18.75
Ratio 3	37.99	40.21	40.25	41.09	41.71
Compensation of Board members(1)	139,619	150,143	148,000	460,000	460,000
Ratio 1	2.07	2.35	2.35	8.45	8.79
Ratio 2	2.79	3.19	3.40	11.16	11.50
Ratio 3	7.07	8.05	8.01	25.20	25.58
Average employee compensation	67,430	63,924	62,947	54,415	52,312
Median employee compensation	50,000	47,000	43,495	41,234	40,000
Minimum wage	19,744	18,654	18,473	18,255	17,982
NET INCOME OF GAUMONT SA	**-37,869,309**	**-5,836,105**	**8,175,659**	**-30,222,852**	**8,065,410**

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) The compensation paid since 2020 takes into account the partial waiver by Board members of the compensation due to them in 2019 to 2021, amounting to two-thirds of the total amount voted by the GM of April 25, 2013.

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, 2022, managing 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 GM 2023	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 2022, 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. As of December 31, 2022, Ms. Sidonie Dumas had 20,695 options available for subscription, as described in Table 8 of the AMF position-recommendation No. 2021-02 in the Section 4 of this Universal registration document.

During 2022, 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 k€460 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 2022 fiscal year, in accordance with the compensation policy for corporate officers approved by the Board of directors on March 10, 2022, and approved by the General Meeting of May 5, 2022, the breakdown of the Board members' compensation base of k€460 is as follows:

- k€240 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;
- k€160 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;
- k€20 for committee chairpersons based on their responsibility, *i.e.*, k€20 allocated to the Chairman of the Audit committee;
- k€40 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.

At the Board of Directors' meeting of May 5, 2022, the directors decided to reduce the compensation paid to them in 2022 for the 2021 fiscal year, to two-thirds of the total amount of k€460.

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 2022, or granted for 2022, to all Gaumont corporate officers will be put to vote at the General Meeting of shareholders on May 11, 2023.

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 Section 5 – Information on Corporate Officers of the 2022 French 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 2022 or allocated for 2022 to executive officers

Components of executive officers' compensation in 2022

The table below shows the fixed, variable and exceptional components of the total compensation and benefits of all types paid in 2022, or allocated for 2022, 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 5, 2022, by a vote on the fifth resolution (adopted with 98.93% of votes for and 1.07% of votes against).

			2022		2021	
(in euros)	TITLE	COMPENSATION[1]	AMOUNTS PAID DURING THE YEAR	AMOUNTS ALLOCATED DURING THE YEAR	AMOUNTS PAID DURING THE YEAR	AMOUNTS GRANTED FOR THE YEAR
Nicolas Seydoux	Chairman of the Board of directors	Fixed compensation	750,000	750,000	750,000	750,000
		Variable compensation[2]	-	-	-	-
	TOTAL		**750,000**	**750,000**	**750,000**	**750,000**
Sidonie Dumas	Chief Executive Officer	Fixed compensation	750,000	750,000	750,000	750,000
		Exceptional premium	-	-	-	-
		Variable compensation[2]	-	-	-	-
		Allocation of stock options	-	-	-	-
	TOTAL		**750,000**	**750,000**	**750,000**	**750,000**

(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.

No other compensation components or benefits of any type were paid during 2022, 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 2022, or granted for 2022, to executive officers will be put to vote at the General Meeting of shareholders on May 11, 2023.

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 2022 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 2022 or allocated to the Chairman of the Board of directors in respect of that fiscal year (see Section 5 – Information on Corporate Officers of the 2022 French 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 2022 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 2022 or allocated to the Chief Executive Officer in respect of that fiscal year (see Section 5 – Information on Corporate Officers of the 2022 French 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 2022 fiscal year (in the present case, no such compensation has been granted to them in 2022).

4 SHARE CAPITAL AND SHAREHOLDERS

SHAREHOLDERS

Shareholders holding over 5% of voting rights and treasury shares

Change in shareholding over the last three years

	12.31.22				12.31.21				12.31.2020			
	BREAKDOWN OF SHARE CAPITAL		BREAKDOWN OF VOTING RIGHTS		BREAKDOWN OF SHARE CAPITAL		BREAKDOWN OF VOTING RIGHTS		BREAKDOWN OF SHARE CAPITAL		BREAKDOWN OF VOTING RIGHTS	
SHAREHOLDERS	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
Ciné Par	2,798,628	89.70	5,563,256	94.32	2,798,628	89.70	5,563,256	94.32	2,798,628	89.70	5,563,256	94.33
Public	316,446	10.14	334,720	5.68	316,446	10.14	334,754	5.68	316,446	10.14	334,696	5.67
Shares held by Gaumont SA	4,849	0.16	-	-	4,849	0.16	-	-	4,849	0.16	-	-
TOTAL	**3,119,923**	**100.00**	**5,897,976**	**100.00**	**3,119,923**	**100.00**	**5,898,010**	**100.00**	**3,119,923**	**100.00**	**5,897,952**	**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, 2022, the number of registered shareholders was 81.

At December 31, 2022, 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 2020 and the date of this report.

Breaching of shareholding thresholds

To Gaumont's knowledge, no thresholds were crossed in 2022 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, 2022, total resources allocated to this contract included 4,649 treasury shares and k€16 in cash.

In addition, at December 31, 2022, Gaumont held 200 registered treasury shares.

In 2022, Gaumont carried out the following transactions on its treasury shares:

	2022	2021
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, 2022.

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 in 2022.

Employee shareholders

To Gaumont's knowledge, none of its employees held shares at December 31, 2022.

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:

		DIVIDENDS PAID FOR THE PERIOD *(in euros)*		
YEARS	NUMBER OF SHARES PAID(1)	NET	TAX ASSET	TOTAL
2017	3,115,047	1.00	-	1.00
2018	3,115,074	1.00	-	1.00
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-

(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, 2022.

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, 2022.

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€15,000, maturing on 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, 2022, 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 5,897,976 voting rights attached to shares, including 2,778,053 shares with double voting rights.

Gaumont had not issued any securities other than equity securities.

Potential capital

At December 31, 2022, 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 11,358 shares as of December 31, 2022.

The following table shows the effects on capital and earnings per share of exercising all the options that are dilutive.

	2022	2021
Average number of shares	3,119,876	3,119,876
Consolidated net income attributable to owners of the parent *(in thousands of euros)*	-12,306	1,040
Net income per share *(in euros)*	**-3.94**	**0.33**
Number of stock options with a dilutive impact	11,358	11,867
Average potential number of shares	3,131,234	3,131,743
Diluted net income per share *(in euros)*	**-3.93**	**0.33**
Percentage of dilution *(in %)*	0.36	0.38

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. 2021-02

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, 2022. They have the following characteristics:

	PLAN V	PLAN VI	PLAN VIII
Date of General meeting	06.02.94	04.25.96	04.29.04
Date of the Board of Directors or Management Board	02.15.96 (1)	03.12.98 (1)	02.28.05 (2)
Type of option	Subscription	Subscription	Subscription
Total number of options that may be subscribed at the granting date	104,000	168,000	196,750
Including number of option that may be subscribed at the granting date by corporate officers :			
• Sidonie Dumas (Chairwoman of the Management Board)	1,000	2,000	30,000
• Christophe Riandee (Member of Management Board)	-	-	30,000
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 *(in euros)*	€ 50.31	€ 64.03	€ 64.00
Adjusted exercise price *(in euros)*	€ 43.77	€ 55.70	€ 55.79
Exercise conditions (4)	n.a	n.a	n.a
Total adjusted number of options granted	119,683	193,341	226,534
Aggregate number of options canceled at 12.31.22	47,184	100,164	103,943
Aggregate number of options exercised at 12.31.22	71,347	90,873	101,896
NUMBER OF SHARES OUTSTANDING AT 12.31.22	**1,152**	**2,304**	**20,695**
Including number of options that corporate officers may subscribe to			
• Sidonie Dumas (Chief executive officer)	-	-	20,695
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).
(4) No performance requirements

Number of options held by top ten employees of the company granted the largest number of options

Table 9 of the AMF recommendation No. 2021-02

During 2022, 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					PROPOSED AUTHORIZATIONS TO THE GENERAL MEETING OF MAY 11, 2023		
	GM (RESOLUTION NO.)	TERM (EXPIRY DATE)	MAXIMUM AMOUNT OR CAP	USE OF AUTHORIZATIONS 2021	USE OF AUTHORIZATIONS 2022	RESOLUTION NO.	TERM	MAXIMUM AMOUNT OR 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	Not used	(20)	26 months	k€15,000
By capitalization of reserves, profits or premiums	GM of 05.05.22 (12)	26 months (07.04.24)	k€15,000	Not used	Not used			
Reserved to employees of the Group, members of the company savings plan	GM of 05.05.22 (13)	26 months (07.04.24)	200,000 shares	Not used	Not used			
Company's purchase of its own shares								
Company's purchase of treasury shares[(2)]	GM of 05.05.22 (9)	18 months (11.04.23)	k€23,399	Not used	Not used	(9)	18 months	k€23,399
Reduction of share capital by cancellation of treasury shares	GM of 05.05.22 (11)	18 months (11.04.23)	10% of share capital as of the date of the GM	Not used	Not used	(19)	18 months	10% of share capital as of the date of the GM
Stock option plans								
Grant of stock options[(3)]	GM of 05.06.21 (12)	38 months (07.05.24)	Legal limit[(4)]	Not used	Not used			

(1) Share capital increases 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 incorporation of reserves, profits or premiums was renewed by the General Meeting of May 5, 2022, for a term of 26 months.

The delegation of authority granted to the Board of directors by the General Meeting of May 6, 2021, to increase the share capital by issuing shares, securities or marketable securities, with preemptive rights for shareholders, will expire on July 5, 2023. It will be proposed to the General Meeting of May 11, 2023, to renew it for a period 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, the General Meeting of May 5, 2022 renewed, for a term of 26 months, the authorization to the Board of directors 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 5, 2022, 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 4, 2023, it will be proposed to the General Meeting on May 11, 2023, 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, 2022, 24,151 shares could potentially be issued upon the exercise of stock options granted to employees of Gaumont and other affiliated companies.

5 ADDITIONAL INFORMATION

FINANCIAL DISCLOSURE TIMETABLE

Publication of the financial statements

March 9: 2022 full-year results
September 7: 2023 half-year results

General meeting of shareholders

May 11: Combined Ordinary and Extraordinary General Meeting called to approve the financial statements for the year ended December 31, 2022

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 I have made every reasonable effort to ensure that the information contained in this Universal registration document is, to my knowledge, 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 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 19, 2023

Sidonie Dumas

Chief Executive Officer

Persons responsible for auditing

Statutory auditors

ADVOLIS	ERNST & YOUNG ET AUTRES
• Member of the *Compagnie régionale de Paris* • Address: 32, avenue de l'Opéra 75002 Paris	• Member of the *Compagnie régionale de Versailles* • Address: 1-2, place des Saisons 92400 Courbevoie – Paris-La Défense 1
• Represented by Hugues de Noray	• Represented by Beatrice Belle
• First appointment: General meeting of May 2, 2005, taking over from KPMG, formerly RSM Salustro Reydel	• 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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