



Europa Corp

**HALF-YEARLY FINANCIAL REPORT
SEPTEMBER 30, 2021**

A - ACTIVITY REPORT FOR THE FIRST HALF OF 2021/2022

1. EuropaCorp Group results

The first half of the 2021/2022 fiscal year was marked by the preparation of several shoots and the exploitation of the catalog, which generated the cash needed to meet the deadlines of the Safeguard Plan while maintaining the Group's cash level.

The consolidated financial statements for the first half of the 2021/2022 fiscal year of the EuropaCorp group, prepared in accordance with IFRS, show consolidated revenues of €17.3 million, compared to €26.2 million for the first half of the previous fiscal year. This 34% decrease is mainly explained by the erosion of the catalog in the absence of new project releases.

In general, the Group points out that its revenues are linked to the release schedule of its films under different modes of exploitation, the timing of which may lead to significant variations in revenues per channel from one half-year to the next. Revenues and earnings for a given half-year are therefore not indicative of annual revenues and earnings.

Due to the decline in revenues, the operating margin decreased by 16% to €9.0 million compared with €10.6 million in the first half of the previous year. However, the margin rate is up significantly to 52% compared with 41% in the first half of 2020/2021. This improvement is mainly due to lower depreciation on catalog films.

Overhead costs amounted to €(6.7) million for the six months ended September 30, 2021, slightly higher than the level of overhead costs for the first half of the previous year at €(6.1) million. This increase of €0.6 million compared to September 30, 2020 (+9%) is explained in particular by the IFRS restatement related to free share plans.

Other operating income and expenses amounted to €0.4 million (reversal of provisions for contingencies and losses) compared with €(2.4) million in the first half of the previous year, which included fees related to the debt restructuring finalized in the summer of 2020.

After taking these items into account, operating profit was positive at €2.7 million, representing a margin rate of 16%, compared with 2.1 million euros and 8% respectively for the six months ended September 30, 2020.

The financial result for the first half of the year amounted to €(1.4) million, compared with €133 million in the first half of 2020/2021. The financial result for the first half of the previous year was impacted by a "technical" profit of €134.9 million linked to the two consecutive capital increases of the July 2020 debt restructuring. In accordance with IFRIC 19, the conversion of the second and third lien Vine and Falcon debt into equity was recognized at the fair value of the shares issued on July 28, 2020.

Excluding this exceptional item, financial income amounted to €(1.9) million.

The financial result for the first half of 2021/2022 of (1.4) million euros breaks down as follows

- €(1.4) million: cost of financial debt related to the Senior debt, spread over 9 years by the Safeguard Plan;
- €0.4 million: a positive foreign exchange result linked to the evolution of the €/€ exchange rate over the period;
- €(0.4) million: other financial costs, in particular the rent expense reclassified as financial interest following the application of IFRS 16.

The current income before taxes is thus positive at €1.3 million or 8% of the turnover.

After considering a tax charge of €(3.2) million (including deferred taxes related to temporary differences in depreciation and amortization of €(2.4) million), compared to €(11.2) million at September 30, 2020, the net

result for the first half of the year, Group share, showed a loss of €(1.9) million.

Cash flow from operations for the first half of the year amounted to €10.5 million compared to €(3.9) million for the first half of the previous year. This €14.4 million increase is mainly due to the end of the financial restructuring that had burdened cash flow last year with the payment of significant fees upon approval of the Safeguard Plan in July 2020 (lawyers, advisors, etc.).

2. Activities

2.1 *Production and distribution of motion pictures*

2.1.1 International Sales

International sales amounted to €5.8 million, or approximately 33% of total revenues. They decreased by €4 million compared to the first half of the previous fiscal year, which included pre-financing related to the last deliveries on *Kursk* and *Braqueurs d'élite*. During the first half of the year, they included royalties on the films *Lucy* and *Taken 3*.

2.1.2 Distribution Rooms

No revenues were generated by the Theatrical distribution, as no releases took place during the half-year, compared with €0.2 million in the first half of 2020/2021.

2.1.3 Video and VOD broadcasting

Video & VOD activities in France and the United States amounted to €0.7 million, compared to €0.4 million last year, and mainly concerned VOD in France.

2.1.4 Sales of television rights

Television & SVOD sales in France and the United States amounted to €10.0 million in the first half of 2021/2022, or 58% of revenues, a decrease of (1.2) million (-11%) compared with the first half of 2020/2021. They include the opening of new rights windows in France, notably for *Valerian and the City of a Thousand Planets*.

2.1.5 Production and distribution of TV movies and series

Revenues from the TV Series business amounted to €(0.3) million (statements on the *Taken* series), compared with €3.3 million at September 30, 2020.

2.2 *Other activities*

Revenues from other Group activities amounted to €1.2 million compared to €1.3 million in the first half of the previous year. This item includes revenues from partnership and licensing agreements, music publishing and post-production activities.

3. Cost of sales

Cost of sales" (operating expenses excluding overheads) amounted to €(8.3) million, compared with €(15.5) million for the first half of FY 2020/2021.

The decrease in this item of €7.2 million is mainly explained by the decrease in depreciation and amortization for €3.6 million to €(6.5) million compared to €(10.1) million as of September 30, 2020, to be compared with the decrease in revenues for the period. The operating margin rate thus increased from 41% to 52%.

4. Investments made

As regards investments in films, the Group invested €1.1 million.

5. Financial structure

As of September 30, 2021, net debt amounted to €37.2 million compared to €43.6 million as of March 31, 2021. This decrease is mainly due to the payment of the first instalment under the Safeguard Plan concerning the repayment of the Senior debt for €6 million. Thanks to the cash flows generated by the catalog and cost control, the Group's cash position increased by €1.7 million to €48.6 million at September 30, 2021.

6. Important events since the closing date

6.1 Capital increases related to bonus share issues

Following the decision taken on October 26, 2020, by the Board of Directors of EuropaCorp, using an authorization given by the Extraordinary General Meeting of Shareholders of September 28, 2020, to proceed with free allocations of shares to employees and corporate officers, the Board of Directors noted, on October 26, 2021, the fulfillment of the conditions of allocation and consequently the issuance of 585,787 new shares with a par value of thirty-four (34) euro cents each.

Similarly, following the decision taken on November 16, 2020, by the Board of Directors of EuropaCorp to proceed with free allocations of shares to employees, the Board of Directors noted, on November 30, 2021, the fulfillment of the conditions of allocation and consequently the issuance of 436,365 new shares with a par value of thirty-four (34) euro cents each.

These shares will be unavailable for a period of one year, starting on October 26, 2021, and November 16, 2021, respectively, and will be immediately assimilated to the old shares.

In accordance with Article L. 225-197-4 of the French Commercial Code, a special report will be presented to the next Annual General Meeting.

The Company's share capital is thus increased to 41,862,290.22 euros, divided into 123,124,383 shares of thirty-four (34) euro cents each.

6.2 Transfer of listing on Euronext Growth

The listing of EuropaCorp shares was transferred to the Euronext Growth Paris market on November 18, 2021.

This transfer aims to enable EuropaCorp to be listed on a market more appropriate to its size and offering a regulatory framework better suited to SMEs. The transfer of the listing of EuropaCorp's shares is intended to simplify the administrative obligations imposed on the Company and to reduce the costs related to its listing, while allowing it to continue to benefit from the attractiveness of the financial markets.

EuropaCorp will continue to deliver accurate, precise and truthful information, making public any insider information concerning the Group, in accordance with the provisions of Regulation (EU) No. 596/2014 of 16 April 2014 on market abuse ("MAR").

7. Risk factors and related party transactions

The risk factors are of the same nature as those set out in Chapter 3 of the Universal Registration Document (pages 8 to 15) and do not present any significant changes.

As regards the COVID-19 epidemic, and pending the results of the vaccination campaign against the new variants of the virus, the Group believes that it could generate a risk of delay in the production and/or theatrical release of films that are to be produced by the Company. The Company also anticipates a decline in movie theater attendance due to the strict sanitary conditions that the government has put in place as part of its management of the health crisis.

Amounts relating to financial and market risks as of September 30, 2021, are set out in note 3.11 Financial instruments to the interim consolidated financial statements in this report.

Related party transactions are described in note 5.2 to the interim consolidated financial statements in this report.

8. Outlook

The Group intends to shortly put several significant projects already developed into production, as soon as the associated financing is secured. These projects, which are currently being pre-financed, concern films, series, and documentaries, considering both EuropaCorp's DNA and the evolution of the market.

As a reminder, the Group already has a revolving credit facility for the financing of the production costs of its upcoming projects, which can be reused, allowing it to mobilize receivables linked to sales contracts for a maximum amount of 100 million dollars.

B - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021, IN ACCORDANCE WITH IFRS

CONSOLIDATED INCOME STATEMENT

		Year Ended September 30,	
		2021	2020
<i>(amounts in thousands of euros, except for the number and data per share)</i>			
Turnover	Note 4.1	17 320	26 159
Revenue	Note 4.1	17 320	26 159
Cost of sales		(8 349)	(15 521)
Operating margin	Note 4.2	8 971	10 638
Overheads	Note 4.3	(6 664)	(6 091)
Other income and expenses	Note 4.4	400	(2 409)
Operating profit (loss)		2 707	2 138
Income from financial investments / (Cost of financial debt)		(1 514)	(3 020)
Other financial income and expenses		139	1 099
Net gain from debt restructuring		0	134 921
Financial income	Note 4.5	(1 375)	133 000
Current income before income tax		1 332	135 138
Tax	Note 4.6	(3 245)	(11 190)
Equity in net earnings of associated companies	Note 3.5	0	(451)
Net income		(1 914)	123 497
Including: Net Income – Minority share		(8)	9
Net Income – Group share		(1 905)	123 488
Basic net income per share	Note 2.5	(0,02)	1,01
Diluted net income per share	Note 2.5	(0,02)	1,01

Operating income (EBIT) at September 30, 2021 includes €6,470 thousand of depreciation and amortization expenses, compared with €10,051 thousand at September 30, 2020. Operating income before depreciation and amortization on films and series at September 30, 2021 was therefore €9,177 thousand, compared with €12,189 thousand at September 30, 2020.

STATEMENT OF COMPREHENSIVE INCOME

	30.09.2021	30.09.2020
Net income	(1 914)	123 497
<i>Income and expenses directly recognized in equity</i>		
- Net investments change		
- Currency translation differences	14	2 686
- Available-for-sale assets		
- Cash flow hedges		
- Reevaluation of assets		
- Actuarial gains and losses		
- Share of other comprehensive income of associates		
- Tax on items recognized directly in equity		
Comprehensive net income total accounted in Equity	14	2 686
Total comprehensive income for the period	(1 899)	126 183
<i>Comprehensive income breakdown for the period</i>	30.09.2021	30.09.2020
Shareholders of the entity	(1 891)	126 174
Minority interest	(8)	9
Total comprehensive income for the period	(1 899)	126 183

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated statement of changes in equity

<i>(amounts in thousands of euros, except for the number of shares)</i>	Common shares	Capital	Share premium	Reserves	Other elements of the comprehensive income	Treasury shares	Net income	Equity Group share	Minority interest	Total Equity
March 31, 2021 balance	122 102 231	41 515	135 540	(321 739)	4 451	(58)	122 606	(17 685)	350	(17 335)
Net income appropriation in reserves				122 606			(122 606)	0		0
Transfer of a part of the share premium in reserves								0		0
Dividends distribution								0		0
Share-based payments				520				520		520
Net variation of treasury shares and stock dividends						(8)		(8)		(8)
Impact of the changes in the scope of consolidation								0	(0)	(0)
Currency translation reserve								14		14
09/30/2021 net income							(1 905)	(1 905)	(8)	(1 914)
Total of income and costs of the period				0	14	0	(1 905)	(1 891)	(8)	(1 899)
Capital increase								0		0
Capital increase expenses								0		0
Free shares allocation plan								0		0
September 30, 2021 balance	122 102 231	41 515	135 540	(198 613)	4 466	(65)	(1 905)	(19 064)	342	(18 722)

CONSOLIDATED BALANCE SHEET

(amounts in thousands of euros)

		30-Sep-21		31-Mar-21	
ASSETS		Gross	Amortisations / Provisions	Net	Net
Non-current assets :					
Goodwill	Note 3.1	17 037	(17 037)	0	0
Intangible assets	Note 3.2	1 520 425	(1 486 181)	34 243	39 685
Property and Equipment	Note 3.3	14 607	(11 335)	3 272	3 445
Other financial assets	Note 3.4	8 989	0	8 989	8 961
Investments in associates	Note 3.5	0	0	0	0
Deferred taxes assets		75	0	75	502
Right-of-use leased assets	Note 3.10	16 100	(9 575)	6 525	7 830
Total non-current assets		1 577 232	(1 524 129)	53 104	60 423
Current assets :					
Inventory		500	(277)	223	192
Trade accounts receivable	Note 3.6	26 583	(6 552)	20 031	22 949
Other accounts receivable	Note 3.7	23 238	(16 460)	6 778	7 558
Other current assets	Note 3.13	2 212	0	2 212	2 691
Cash and cash equivalents	Note 3.12	48 595	0	48 595	46 952
Total current assets		101 128	(23 288)	77 840	80 343
TOTAL ASSETS				130 943	140 765
				30 September	31 March
				2021	2021
LIABILITIES					
Equity - Group share					
Issued capital				41 515	41 515
Retained earnings and reserves				(60 578)	(59 199)
Total equity - Group share	Note 3.8			(19 063)	(17 684)
Minority interests				342	350
Non-current liabilities :					
Provisions for pensions and similar				435	411
Deferred taxes liabilities				2 735	334
Long term borrowings and financial debts	Note 3.9			73 158	83 862
Deposits and guarantees received	Note 3.9			514	613
Lease liability - long term (> 1 year)	Note 3.10			6 345	7 819
Other non-current liabilities	Note 3.13			5 094	4 987
Total non-current liabilities				88 281	98 025
Current liabilities :					
Short term borrowings and financial debts	Note 3.9			12 169	6 102
Lease liability - short term (< 1 year)	Note 3.10			3 206	2 628
Provisions for risks and expenses	Note 3.11			637	684
Trade accounts payable	Note 3.12			29 700	30 614
Other financial liabilities				9 368	9 588
Other current liabilities	Note 3.13			6 303	10 458
Total current liabilities				61 383	60 074
TOTAL LIABILITIES				130 943	140 765

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended March 31,

<i>(amounts in thousands of euros)</i>	2021	2020
Operations		
Net income - Group share without discontinued operations	(1 905)	123 488
Net income - Minority share	(8)	9
Depreciation and amortization	7 599	10 987
Unrealised gains and losses relating to changes in fair value	0	(134 921)
Change in the fair value of securities-related liabilities	0	0
Capital gains or losses on the disposal of assets	(3)	77
Share of income from associates consolidated using the equity method	0	451
Income and expenses due to share-based payments and similar	520	0
Operating cash flow after net financial debt cost and taxes	6 202	92
(Income from financial investments) / Cost of financial debt	1 436	5 155
Taxes (Income) / Cost	0	0
Operating cash flow before net financial debt cost and taxes	7 638	5 247
Change in working capital requirement :		
Inventory	(31)	1
Trade accounts and notes receivable	6 484	7 153
Deferred costs	344	(73)
Trade notes and accounts payable	(1 050)	(8 083)
Deferred income	(2 883)	(8 188)
Tax paid	0	0
Net cash flow from operations	10 503	(3 943)
Investment activities	Note 5.1	
Acquisition of intangible assets	(1 051)	(52)
Acquisition of other intangible assets	(0)	(172)
Acquisition of property and equipment	(27)	(55)
Income on disposal of intangible assets and property, plant and equipment	3	1 500
Net change in financial assets	(19)	280
Change in liabilities on long-term investment	0	0
Change in minority reserves	0	0
Impact of the changes in the scope of consolidation	0	0
Net cash flow from investment activities	(1 094)	1501
Financing activities		
Dividends paid	0	0
Increase in capital	0	0
Capital increase expenses	0	0
Net increase in bank borrowings and overdrafts	332	1 432
Net decrease in bank borrowings and overdrafts	(5 739)	(998)
Decrease in lease liability	(1 258)	(5 570)
Net change in treasury shares	58	12
Interest expenses paid	(1 550)	(4 590)
Interest income received and net gain/loss from disposals	476	28
Net cash flow from financing activities	(7 681)	(9 685)
Overall change in cash position	1 728	(12 126)
Incidence of foreign exchange rate change	9	2 154
Opening cash position	46 858	50 246
Cash position at the end of period	48 595	40 274
broken down into:		
Marketable securities	658	678
Cash and cash equivalents	47 938	40 028
Overdraft	(0)	(432)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - THE EUROPACORP GROUP

1.1 Group activity

EuropaCorp, a limited liability company governed by the provisions of French law, and its subsidiaries, have as their principal activity the production and distribution of cinematographic works.

1.2 Changes in the scope of consolidation

The Group's accounts were restructured between April 1, 2021, and September 30, 2021, with the transfer of assets and liabilities from Valerian SAS to Valerian Holding SAS. This change in the scope of consolidation has no impact on the interim financial statements.

1.3 Seasonality of the activity

The EuropaCorp group points out that its results are linked in particular to the number and timing of film releases and television series deliveries, as well as to the financing structure of its works. These factors can lead to significant variations in results from one period to another. The half-year consolidated results are therefore not representative of future annual results.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General principles

The condensed consolidated interim financial statements of EuropaCorp for the nine months ended September 30, 2021, have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable at that date. They have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These financial statements do not include all the information required for annual consolidated financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended March 31, 2021.

The accounting policies used are identical to those described in the published consolidated financial statements for the year ended March 31, 2021 (see in particular Note 2 "Accounting policies" of these financial statements, pages 181 to 193 of the Registration Document filed with the AMF on July 23, 2021, under number D.21-0726), with the exception of the new standards and interpretations that apply and are described in the following paragraph.

The condensed consolidated financial statements are presented in thousands of euros unless otherwise indicated.

The interim financial statements were reviewed and approved by the Board of Directors on December 14, 2021. These interim financial statements have not been subject to a limited review by the statutory auditors.

2.2 Continuity of operations

In accordance with IAS 1.25, management is required to make an assessment of the entity's ability to continue as a going concern, and where there are significant uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, the entity is required to disclose those uncertainties. In making these assessments, management considers all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period to September 30, 2022.

Given the evolution of the health situation linked to Covid-19 and its various variants at the date of closing of the accounts, the Group considers that there is a risk of delay in the production and/or theatrical release of films.

The Company is therefore not in a position to accurately assess all of the factors that could impact the financial statements for the 2022/2023 financial year. Nevertheless, despite the impacts that may arise, the Group's ability to continue as a going concern is not called into question in view of the information available at the date of closing of these interim financial statements, the Group's cash position and the possibility of mobilizing receivables related to contracts for a maximum amount of USD 100 million. In addition, the repayment deadlines set out in the Safeguard Plan have been met.

2.3 Application of new standards and interpretations

In particular, the IFRS standards of the IASB and the interpretations of the IFRIC, as adopted by the European Union (available on the website of the European Commission http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission) for financial years beginning on or after April 1, 2021, have been applied by the Company and have not resulted in any significant change in the methods of valuation and presentation of the accounts.

IFRS standards, IFRIC interpretations or amendments applied by the company from April 1st 2021

The new standards, amendments to existing standards and interpretations that are mandatory for financial years beginning on or after January 1st 2021 did not have a material impact on the financial statements, mainly as follows

- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 "Interest Rate Benchmark Reform - Phase 2

Accounting standards or interpretations not yet applied by the company

As of September 30, 2021, the IASB has issued standards and interpretations that have not yet been adopted by the European Union as of September 30, 2021; they are not applied as of that date.

- Amendments to IAS 28 and IFRS 10 "Sale or contribution of assets between an associate and a joint venture

- Amendments to IAS 1 on the classification of liabilities as current and non-current

- Amendments to IAS 1 "Disclosure of Accounting Policies

- Amendments to IAS 8 "Definition of an accounting estimate

- Amendments to IAS 12 "Income Taxes

As of September 30, 2021, the IASB published standards and interpretations adopted by the European Union as of September 30, 2021, which are applicable for accounting periods beginning on or after January 1, 2022. These standards and interpretations have not been applied early.

- Annual improvements (2018-2020) to IFRS

- Amendments to IFRS 3 "Definition of a Business"

- Amendments to IAS 16 "Property, Plant and Equipment - Revenue in advance of intended use

- Amendments to IAS 37 "Onerous contracts - costs of performing the contract

The impacts of the draft standards and interpretations currently being studied by the IASB have not been anticipated in these consolidated financial statements and cannot be reasonably estimated at this time.

2.4 Management estimate

The preparation of interim financial statements requires the use of estimates and assumptions that affect the valuation of certain assets and liabilities reported in the consolidated balance sheet and certain income statement items.

Assumptions and estimates that could result in a material adjustment to the carrying amount of assets and liabilities within the next reporting period mainly relate to:

- The identification of impairment indicators for goodwill and intangible assets with indefinite useful lives;
- Valuation of the net book value of films and preliminary costs;
- Valuation of deferred tax assets;
- Risk assessment of legal actions.

2.5 Earnings per share

In accordance with IAS 33 - Earnings per Share, basic earnings per share are calculated by dividing net income for the year attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the year. Treasury shares are not considered as outstanding shares and therefore reduce the number of shares taken into account for the calculation of net earnings per share.

Diluted earnings per share are determined by adjusting, where appropriate, the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive instruments (i.e. those that have the effect of reducing earnings per share). For the Group, the only potentially dilutive instruments are bonus shares granted.

The main assumptions used to calculate the earnings per share presented in the financial statements are as follows:

Number of shares comprising the share capital as of July 28, 2020,	122 102 231
Number of treasury shares held as of September 30, 2021	86 049
<i><u>Dilutive effect of the bonus share plan</u></i>	
Number of shares granted on October 26, 2020 (effective October 26, 2021)	585 787
Number of shares granted on November 16, 2020 (effective November 16, 2021)	436 365
Maximum number of performance shares granted on July 15, 2021	2 932 915
Weighted average number of shares as of September 30, 2021 (excluding treasury shares)	122 016 182
Weighted average number of shares as of September 30, 2021 (dilutive) (excluding treasury shares)	124 272 402

NOTE 3 - NOTES TO THE CONSOLIDATED BALANCE SHEET

3.1 Goodwill

No change in the net value of goodwill as of September 30, 2021. Goodwill is fully impaired.

3.2 Intangible assets

<i>(in thousands of euros)</i>	31.03.2021	Movements during the period			30.09.2021
		+	-	<i>Other</i> ⁽¹⁾	
Films and audiovisual rights	1 423 158	15		169	1 423 341
Production costs	35	974		12	1 022
Preliminary expenses	16 588	50		(12)	16 626
Other	78 522	250	(188)	852	79 436
Gross amount	1 518 303	1 289	(188)	1 021	1 520 425
Films and audiovisual rights	(1 400 189)	(6 481)		(169)	(1 406 839)
Other	(78 428)	(62)		(852)	(79 342)
Depreciation/Provisions	(1 478 618)	(6 543)	-	(1 021)	(1 486 181)
Net amount	39 685	(5 254)	(188)	-	34 243

(1) Changes in the scope of consolidation, transfers from one item to another, foreign exchange impact

As of September 30, 2021, the net book values of intangible assets are as follows

<i>(in thousands of euros)</i>	30.09.2021	31.03.2021
Preliminary expenses	961	963
Production costs	1 022	35
Completed films	32 166	38 593
Other intangible assets	94	94
TOTAL INTANGIBLE ASSETS	34 243	39 685

The decrease in the net value of intangible assets over the period is mainly due to the amortization of films in the amount of €6.5 million.

Preliminary costs that have not resulted in a decision to shoot a film within five years of their first activation are written down. However, this principle does not apply to projects that have been capitalized for more than five years, where there are specific production commitments or genuine expressions of interest, or where the company considers that the duration of development does not call into question the likelihood of the project being filmed at term. As of September 30, 2021, the residual net book value of projects for which the first expenditure has been capitalized for less than 5 years amounts to €961 thousand.

The company points out that films and audiovisual productions are amortized for each film or audiovisual production using the estimated revenue method, which consists of applying to the cost of the film the ratio resulting from the comparison between net earned revenues and total estimated net revenues, as specified in paragraph 2.7.4 of the notes to the consolidated financial statements for the fiscal year ending March 31, 2021. Total net revenues include (i) net earned revenues for the period, considering revenues and distribution costs of films in the US, and (ii) estimated net revenues for a maximum of 12 years from the date of first exhibition. The timeframe used remains the same as that used for the closing of the annual accounts on March 31, 2021.

As of September 30, 2021, "other intangible assets" mainly include the initial contribution paid in connection with the creation of the joint US film distribution and marketing platform, EuropaCorp Distribution LLC

(formerly "RED"), for \$30 million and the additional contribution of \$55 million paid during fiscal year 2014/2015 to settle the Group's obligations to Relativity. The total investment as of September 30, 2021, amounts to 78 million euros representing the equivalent of 85 million dollars. This investment has enabled the Group to conclude important contracts with Fox (Video), Amazon (SVOD / Pay TV) and Lionsgate (Video) during the previous years. This intangible asset, representing an entry fee, has an indefinite life and is, by definition, non-depreciable and is tested annually. This intangible asset has been fully impaired since March 31, 2019.

3.3 Property, plant and equipment

<i>(in thousands of euros)</i>	31.03.2021	Movements during the period			30.09.2021
		+	-	Other ⁽¹⁾	
Plant, machinery and equipment	7 326	-	-	-	7 326
Land, buildings	5 427	4	-	-	5 431
Other property, plant and equipment	1 874	17	(50)	-	1 841
Gross amount	14 627	21	(50)	-	14 598
Plant, machinery and equipment	(6 867)	(77)	-	-	(6 945)
Land, buildings	(2 644)	(111)	-	-	(2 755)
Other property, plant and equipment	(1 671)	(12)	50	(3)	(1 636)
Depreciation/Provisions	(11 182)	(200)	50	(3)	(11 335)
Net amount	3 445	(179)	-	(3)	3 263

(1) Changes in the scope of consolidation, transfers from one item to another, foreign exchange impact

Property, plant and equipment mainly comprise the assets held by Digital Factory (buildings, installations and technical equipment at the Saint-Denis site).

3.4 Other financial assets

Other financial assets consist mainly of deposits and guarantees with a maturity of more than one year and non-consolidated securities (held by EuropaCorp SA).

<i>(in thousands of euros)</i>	30.09.2021	31.03.2021
Non-consolidated securities	500	500
Loans and other receivables	610	610
Deposits and guarantees due > 1 year	7 879	7 793
Net amount	8 989	8 903

Deposits and guarantees mainly include guarantees paid to the Guilds for 4.8 million euros as well as the guarantee deposit paid to the lessor by EuropaCorp for an amount of 3.1 million euros within the framework of the commercial lease agreement for the Cité du Cinéma premises.

Non-consolidated investments correspond mainly to a minority stake held by EuropaCorp SA in the company ELZEVIR FILMS. These investments are recorded at their net value, which corresponds to the acquisition value of these shares less any depreciation calculated on the basis of the valuation of the subsidiary's film inventory.

3.5 Investments in associates

Les Studios de Paris closes its accounts on December 31. For the purposes of closing the annual and half-yearly financial statements of the EuropaCorp group, the company has prepared a situation as of March 31, 2021, and September 30, 2021. Thus, the share of earnings recognized in EuropaCorp's consolidated financial statements corresponds to the company's operations from April 1, 2021 to September 30, 2021. EuropaCorp holds a 40% stake in this company and does not control it.

The Studios of Paris

<i>(in thousands of euros)</i>	30.09.2021	31.03.2021
Control %	40,00%	40,00%
Book value of net assets held (in thousands of euros)	(3 397)	(3 331)
Share of profit (loss)	(69)	(1 019)
Contribution to consolidated equity	(9 443)	(9 377)
Statement of financial position	9 653	10 287
Revenue	3 080	3 014
Net income	(173)	(2 547)

Since March 31, 2021, the Group's share in the accumulated losses of Les Studios de Paris exceeds the carrying amount of its investment in the company. In accordance with IAS 28.38, the EuropaCorp Group has not recognized any share of the profit or loss as at September 30, 2021, in view of the losses incurred during the period. When Les Studios de Paris subsequently generates profits, the EuropaCorp group will only resume recognizing its share of the profits when this share is equal to or greater than its share of the unrecognized net losses. This share of unrecognized net losses amounts to 509,643 euros at September 30, 2021.

3.6 Trade receivables

<i>(in thousands of euros)</i>	30.09.2021	31.03.2021
Trade receivables - nominal value	16 393	21 703
Provision for trade receivables depreciation	(6 552)	(6 596)
Net value of trade receivables	9 842	15 107
Contract assets	10 190	7 842
Total trade receivables	20 031	22 949

Receivables are recorded at their face value less provisions for impairment of uncollectible amounts. An estimate of the amount of doubtful receivables is made when it is no longer probable that the entire receivable will be recovered. Bad debts are recognized as losses when they are identified as such.

Receivables due in more than one year are mainly held with French television channels.

When the Group has production credits, EuropaCorp allocates a portion of these receivables as collateral for the credits granted by the lending institutions. The receivables are nevertheless maintained in the balance sheet under trade receivables, as only the payment is delegated to the banks.

The decrease in trade receivables should be seen in the context of the decrease in revenues over the period.

3.7 Other receivables

Details of receivables by nature:

<i>(in thousands of euros)</i>	30.09.2021	31.03.2021
Advances and down-payments to suppliers	2 620	2 425
Support funds (CNC)	9 585	9 585
Tax and social security credits	3 368	4 199
Other receivables	7 665	7 735
Gross amount	23 238	23 944
Depreciation provisions	(16 460)	(16 385)
Net amount	6 778	7 558

The receivable from the CNC at September 30, 2021 breaks down into €7.1 million of producer subsidy, €1.6 million of distributor subsidy, €0.5 million of video publisher subsidy and €0.4 million of export subsidy. As of September 30, 2021, this receivable was impaired to the extent of €9.1 million in view of the change of nationality of the majority shareholder on July 28, 2020 (impairment recorded in fiscal year 2019/2020).

Other receivables consist mainly of receivables from co-producers. All these receivables are due within one year.

3.8 Shareholders' equity

3.8.1 Composition of the capital

As of September 30, 2021, the Company's share capital amounted to 41,514,758.54 euros, divided into 122,102,231 ordinary shares with a par value of 0.34 euros each, all of the same class and fully paid up.

As of the date of publication of this report, the Company's capital stock was increased to 41,862,290.22 euros, divided into 123,124,383 shares with a par value of thirty-four (34) cents each (see Activity Report, 6.1. *Capital increases linked to free share issues*).

3.8.2 Dividends

The Group did not pay a dividend during the period.

3.8.3 Allocation of free shares

The Combined Shareholders' Meeting of September 28, 2020, authorized the Board of Directors to make bonus share grants to employees and officers of the Company.

The Board of Directors has decided to proceed on July 15, 2021, with the allocation of free performance shares to all employees of the Company and its French subsidiaries and to its Chief Executive Officer. The Board of Directors considered that this was to align the interests of employees and the Chief Executive Officer with the Company's performance. The definitive allocation of these free shares is conditional on the beneficiaries' presence in the Company as of March 31, 2024, and on a performance criterion relating to the achievement of a profit target (95%) and a non-financial target (5%).

3.9 Borrowings and financial liabilities

The Group defines net financial debt as all financial debts, including financial instruments linked to debts and financial investments, less cash, cash equivalents and related financial instruments.

The company's net financial debt is as follows

<i>(in thousands of euros)</i>	30.09.2021	31.03.2021
Bonds > 1 year		
Deposits and guarantees received	514	613
Other loans and related debt > 1 year	-	-
Production credits	73 158	83 862
Total Loans Maturing > 1 year	73 672	84 475
Bonds < 1 year		
Bank loans		
Other loans and related debt < 1 year		
Production credits	12 169	6 008
Bank loans and overdrafts		93
Marketable securities	(658)	(658)
Cash and cash equivalents	(47 938)	(46 294)
Net debt	37 246	43 625

This decrease in net debt since March 31, 2021 is mainly due to the payment of the first instalment under the Safeguard Plan concerning the repayment of the main credit line available to the Company, for 6 million euros.

The financing of film production is achieved in particular through credit facilities that the company specifically allocates to films (credit lines, bank overdrafts, etc.). The actual costs incurred in respect of the specific financing allocated to the productions during the period are included in the capitalized cost of the films.

The amounts of indebtedness shown in the net financial debt table above correspond to the decompensated balances of the Group's various cash accounts.

The marketable securities held by the Group are money-market mutual funds. These securities seek a return close to the EONIA. They are mainly invested in the money and interest rate markets. They do not present a significant risk of loss of value.

At September 30, 2021, marketable securities consisted of money market funds.

3.10 Leases

<i>(in thousands of euros)</i>	30.09.2021	31.03.2021
Right to use leased property	6 525	7 830
Lease liabilities - portion due in more than one year	(6 345)	(7 819)
Lease liabilities - current portion	(3 206)	(2 628)
Total lease liabilities	(3 026)	(2 616)

3.11 Financial instruments

The Group's cash requirements are covered by its operating cash flow, supplemented by overdraft facilities, sales contracts and specialized production credits.

The table below provides a comparison by category of the carrying amounts and fair values of all the Group's financial instruments:

<i>(in thousands of euros)</i>	30.09.2021		<i>Breakdown by instrument category</i>				
	Net book value in the balance sheet	Fair value	Fair value by income	Available-for-sale assets	Loans and receivables	Debts at amortized cost	Derivative instruments
Non-consolidated equity investments							
Other non-current financial assets	8 989	8 989			8 989		
Other current financial assets							
Derivative instruments - assets							
Cash and cash equivalents	48 595	48 595	48 595				
Financial assets	57 584	57 584	48 595	-	8 989	-	-
Financial debts of more than 1 year	73 158	73 158				73 158	
Financial debts of less than 1 year	12 683	12 683	-			12 683	
Derivative instruments - liabilities							
Financial liabilities	85 842	85 842	-	-	-	85 842	-

<i>(in thousands of euros)</i>	31.03.2021		<i>Breakdown by instrument category</i>				
	Net book value in the balance sheet	Fair value	Fair value by income	Available-for-sale assets	Loans and receivables	Debts at amortized cost	Derivative instruments
Non-consolidated equity investments							
Other non-current financial assets	8 961	8 961			8 961		
Other current financial assets							
Derivative instruments - assets							
Cash and cash equivalents	46 952	46 952	46 952				
Financial assets	55 912	55 912	46 952	-	8 961	-	-
Financial debts of more than 1 year	83 862	83 862				83 862	
Financial debts of less than 1 year	6 715	6 715	-			6 715	
Derivative instruments - liabilities							
Financial liabilities	90 577	90 577	-	-	-	90 577	-

IFRS 7 requires the classification of assets and liabilities measured at fair value into three levels:

- Level 1 includes valuations based on quoted prices in an active market for identical assets or liabilities;
- Level 2 includes valuations based on observable market data, not included in Level 1;
- Level 3 includes valuations based on unobservable market data.

The financial instruments used by EuropaCorp are all level 1.

In the normal course of business, the Group is exposed to interest rate and currency risks that may have an impact on its net worth.

- *Interest rate risk:*

The Group's exposure to interest rate risk relates mainly to the portion drawn down on revolving credit lines. The main credit line bears interest at EURIBOR plus a margin of 3.25%.

The maturity schedule of financial assets and liabilities as at September 30, 2021 is as follows:

<i>(in thousands of euros)</i>	30.09.2021	<i>Maturities</i>		
		< 1 year	1-5 years	> 5 years
Fixed rate financial assets	-			
Variable rate financial assets	48 595	48 595		
Financial assets not exposed	8 989	-	8 379	610
Financial assets	57 584	48 595	8 379	610
Fixed rate financial liabilities	-			
Floating-rate financial assets	85 842	12 725	38 510	34 607
Financial liabilities not exposed	-			
Financial liabilities	85 842	12 725	38 510	34 607

The monitoring of interest rate risk and sensitivity can be summarized as follows as of September 30, 2021 (assumption used: 0.5-point increase in interest rates):

<i>(in thousands of euros)</i>	Fixed rate	Variable rate	Not exposed	Total
Financial assets		48 595	8 989	57 584
Financial liabilities		85 842	-	85 842
Net equity before hedging	-	(37 246)	8 989	(28 258)
“Hedging”		-		-
Net equity after hedging	-	(37 246)	8 989	(28 258)
Sensitivity	-	(186)		(186)

- Foreign exchange risk:

The Group is exposed to financial statement translation risk for subsidiaries whose accounts are denominated in foreign currencies, and to transactional risk of exchange rate fluctuations for revenues generated outside the euro zone. This risk also applies to production costs denominated in foreign currencies relating to the portion of certain films shot outside the euro zone. When a significant portion of revenues generated in international markets is denominated in foreign currencies, significant production costs may be denominated in the same currencies. Thus, the Group may benefit from a natural hedge, depending on the respective importance of these flows in the opposite direction.

The Group may also use various financial instruments to hedge foreign exchange risks on cash flows, particularly with regard to fluctuations in the US dollar against the euro. For example, when the company is committed to paying significant expenses in foreign currencies, it may sign forward exchange contracts or currency options with financial institutions.

In accordance with IAS 39, as the Group has chosen not to apply hedge accounting, changes in the fair value of forward purchases and sales in foreign currencies carried out by EuropaCorp are recognized in financial income or loss. The fair value of these instruments, recorded as assets or liabilities in the consolidated balance sheet under "Other receivables" or "Other payables", is determined on the basis of their market value valued according to the closing exchange rates.

As at September 30, 2021, the Company has no hedging instruments measured at fair value.

- Liquidity risk:

The liquidity risk to which EuropaCorp is subject is inherent to the business of producing and distributing cinematographic works. In fact, several months generally separate the investments required for the production and promotion of a film from the receipt of operating revenues. This time lag can make it necessary to resort to bank financing. Although EuropaCorp endeavors to limit its financial exposure as far upstream as possible through a policy of pre-selling international distribution rights and television

broadcasting rights for the films it produces, EuropaCorp cannot guarantee that it will always be able to implement such a policy, nor that it will be exempt from all liquidity risk.

In order to cope with the time lag between investments and the receipt of film revenues, EuropaCorp had a Senior reusable line of credit enabling it to mobilize receivables linked to contracts for a maximum total amount equivalent to \$190 million.

As of March 31, 2020, 85.6 million euros had been drawn down on the main credit line.

This Senior credit facility was to be repaid at the end of a five-year period, i.e. by October 21, 2019 at the latest. Under the Safeguard Plan, approved on July 24, 2020 by the Bobigny Commercial Court, and extended from seven to nine years following the Covid-19 epidemic and its impact on the Group's productions, the following payment schedule has been defined:

Year	1	2	3	4	5	6	7	8	9
of reimbursement	5,8%	11,8%	10,6%	6,7%	12,4%	12,4%	12,1%	14,6%	13,6%

On July 30, 2020, EuropaCorp Pictures LLC as Borrower, EuropaCorp Finance LLC as Parent, the Lenders and Comerica Bank, acting as Agent, entered into a credit agreement entitled Credit, Security, Guaranty and Pledge Agreement.

This new reusable line of credit allows the Company to mobilize receivables related to sales contracts for a maximum amount of \$100 million, which can be increased by mutual agreement by an additional \$25 million. Most of this financing is provided directly or indirectly by a new generation of Vine funds (Funds IV) separate from the current shareholder Vine Funds. The balance of the financing may be provided by some of the Vine Funds.

The purpose of this financing is to pay the costs associated with the production, the financing fees and interest and, if necessary, the working capital requirement. This new financing facility has a term of 5 years from the date of signature and bears interest at 8% per annum (for more details, see the chapter "Material Contracts" of the 2020/2021 Universal Registration Document, pages 169 to 171).

- Credit risk:

The most significant receivables concern the International Sales and TV Sales France activities. For TV sales in France, the credit risk is considered low given the size of the broadcasters and the history and quality of the relationships maintained with them.

As far as international sales are concerned, the EuropaCorp Group's policy consists of choosing reference partners in each country where its films are distributed, with whom it has worked on several occasions in the past, while seeking to diversify its potential partners, in particular through regular contacts with the various foreign players at film markets such as Cannes (Marché du Film), Los Angeles (American Film Market), or Berlin (European Film Market).

Given the fact that the credit risk is considered low, the EuropaCorp Group has not deemed it appropriate, at this time, to take out credit insurance.

The table below shows the total amount of credit risk, broken down by major asset class as of September 30, 2021:

<i>(in thousands of euros)</i>	30.09.2021
Trade receivables	20 031
Marketable securities	-
Other receivables exposed to credit risk	-
Total	20 031

- Equity risk:

EuropaCorp generally invests its available cash in monetary products in euros or in secured products (certificates of deposit, commercial paper, term accounts, etc.). It therefore considers that it is not exposed to any equity risk at September 30, 2021.

In addition, as of September 30, 2021, EuropaCorp held 86,049 of its own shares, valued at 65 thousand euros.

<i>(in thousands of euros)</i>	Third-party equity portfolio or equity mutual funds	Treasury shares portfolio
Asset position	None	65
Off balance sheet	None	-
Overall net position	None	65

3.12 Trade and other payables

Details of other liabilities by nature:

<i>(in thousands of euros)</i>	30.09.2021	31.03.2021
Trade payables	29 700	30 614
Equity investment liabilities	-	-
Advances and down-payments on orders	1 451	1 084
Taxes and social security contributions payable	4 522	5 556
Miscellaneous liabilities	3 395	2 948
Total other financial liabilities	9 368	9 588
Total operating liabilities	39 069	40 202

Trade payables as of September 30, 2021, mainly comprise accrued expenses consisting of repayments due to third parties (participation and residuals).

Tax and social security liabilities consist mainly of VAT collected and accrued expenses on taxes and various contributions.

All current liabilities are due within one year.

3.13 Other assets and liabilities (non-current and current)

Other current assets consist mainly of prepaid expenses of €1.1 million as of September 30, 2021 for expenses incurred on productions not yet exploited on the media concerned.

Other current liabilities consist solely of deferred income in respect of invoiced revenues for which the event giving rise to recognition of the corresponding revenue has not occurred by September 30, 2021. Deferred income is classified as non-current liabilities when the revenue recognition date is more than one year. The current portion of deferred income amounts to €6,303 thousand.

Other liabilities (current and non-current) break down as follows:

<i>(in thousands of euros)</i>	30.09.2021	31.03.2021
Subsidies	-	-
Other deferred income	933	204
Total deferred income	933	204
TV rights items	5 031	9 613
Undelivered international sales	1 914	942
Total contract liabilities	6 945	10 555
Total other	3 520	4 687
Total other current and non-current liabilities	11 397	15 445

NOTE 4 - NOTES TO THE CONSOLIDATED INCOME STATEMENT

4.1 Revenue

<i>(in thousands of euros)</i>	30.09.2021	30.09.2020
Production	16 122	24 477
Distribution	14	204
Video	694	437
Events	-	(25)
Miscellaneous	490	1 067
Sales figures	17 320	26 159
<i>Of which financial support generated (including Cosip)</i>	-	-
<i>Of which revenues generated from exports</i>	7 468	11 312

The EuropaCorp Group's consolidated revenues amounted to 17.3 million euros, compared to 26.2 million euros for the first half of the previous fiscal year, a decrease of 34%.

Production" revenues:

International sales amounted to €5.8 million, or approximately 33% of total revenues. They decreased by €3.8 million compared to the first half of the previous fiscal year (which included the last deliveries on *Kursk* and *Braqueurs d'élite*). In the first half of this year, they included royalties on the films *Lucy* and *Taken 3*.

Television & SVOD sales in France and the United States amounted to €10.0 million in the first half of 2021/2022, or 58% of revenues, a decrease of (1.2) million (-11%) compared with the first half of 2020/2021. They include the opening of new rights windows in France, notably for *Valerian and the City of a Thousand Planets*.

Revenues from the TV Series business amounted to €(0.3) million (statements on the *Taken* series), compared with €3.3 million at September 30, 2020.

Revenues from derivative rights (partnerships, licenses, etc.), post-production and co-productions signed by the Group totaled €1.2 million for the first half of the fiscal year, compared to €1.3 million for the first half of the previous fiscal year.

Distribution" revenues:

No revenues were generated by the Theatrical distribution, as no releases took place during the half-year, compared with €0.2 million in the first half of 2020/2021.

Video revenues:

Video & VOD activities in France and the United States amounted to €0.7 million, compared to €0.4 million last year, and mainly concerned VOD in France.

In general, the Group points out that its revenues are linked to the release schedule of its films under different modes of exploitation, the timing of which may lead to significant variations in revenues per channel from one half-year to the next. Revenues and earnings for a given half-year are therefore not indicative of annual revenues and earnings.

4.2 Operating margin

Due to the decline in revenues, the operating margin decreased by 16% to €9.0 million compared with €10.6 million in the first half of the previous year. However, the margin rate is up significantly to 52% compared with 41% in the first half of 2020/2021. This improvement is mainly due to lower depreciation and amortization on catalog films.

4.3 Structure costs

Overhead costs amounted to €(6.7) million for the six months ended September 30, 2021, slightly up on the level of overhead costs for the first half of the previous fiscal year at €(6.1) million. This increase of €0.6 million compared to September 30, 2020 (+9%) is explained in particular by the IFRS adjustment related to free share plans.

4.4 Other operating income and expenses

<i>(in thousands of euros)</i>	30.09.21	30.09.20
Other operating income and expenses	400	(2 409)

Other operating income and expenses amounted to €0.4 million (reversal of provisions for contingencies and losses) compared with €(2.4) million in the first half of the previous year, which included fees related to the debt restructuring finalized in the summer of 2020.

4.5 Financial result

<i>(in thousands of euros)</i>	30.09.2021	30.09.2020
Financial result of net indebtedness	(1 436)	(3 020)
Other financial income and expenses	61	1 099
Net gain from debt restructuring	-	134 921
Financial result	(1 375)	133 000

The financial result for the first half of the previous year was impacted by a "technical" profit of €134.9 million linked to the two consecutive capital increases resulting from the July 2020 debt restructuring (application of IFRIC 19). Excluding this exceptional item, financial income amounted to €(1.9) million.

The financial result for the first half of 2021/2022 of (1.4) million euros breaks down as follows:

- €(1.4) million: cost of financial debt related to the Senior debt, spread over nine years by the Safeguard Plan;
- €0.4 million: a positive foreign exchange result linked to the evolution of the €/€ exchange rate over

- the period and;
- €(0.4) million: other financial costs, in particular the rent expense reclassified as financial interest following the application of IFRS 16.

4.6 Tax

Breakdown of tax expense by type:

<i>(in thousands of euros)</i>	30.09.21	30.09.20
Tax payable	(849)	(3)
Deferred tax	(2 396)	(11 187)
Total tax income / (expense)	(3 245)	(11 190)

The tax charge for the first half of the year corresponds mainly to deferred tax resulting from a decrease in deferred tax assets related to temporary differences in depreciation.

NOTE 5 - OTHER INFORMATION

5.1 Notes to the cash flow statement

Cash flow from operating activities

At September 30, 2021, operating activities generated net cash flow of €10.5 million, compared with €(3.9) million at September 30, 2020. This increase is mainly due to the end of the financial restructuring that had burdened cash flows last year with the payment of significant fees upon approval of the safeguard plan in July 2020 (lawyers, advisors, etc.).

Cash flow from investing activities

As of September 30, 2021, net cash used in investing activities amounted to €(1.1) million compared to €1.5 million as of September 30, 2020, an increase of €2.6 million explained mainly by investments in films of €(1.1) million during the first half of 2021/2022 compared to the disposal of the assets held by Digital Factory in Normandy which generated €1.5 million during the first half of 2020/2021.

Cash flows from financing activities

As of September 30, 2021, net cash used in financing activities amounted to €(7.7) million, including mainly the repayment of the first instalment under the Safeguard Plan concerning the Senior credit facility for approximately €5 million and the associated interest for approximately €1 million.

5.2 Relations with related companies

Agreements with related parties have been identified in the Universal Registration Document 2020/2021, filed with the Autorité des Marchés Financiers on July 23, 2021, in chapter 17 "Related party transactions" and in note 5.2 "Relations with related companies".

Other than those described in the 2020/2021 Universal Registration Document, there were no new agreements with related parties during the first half of 2021.

The table below summarizes the flows and balances of transactions with related companies:

<i>(in thousands of euros)</i>	30.09.2021	31.03.2021
Statement of financial position		
Receivables		
Trade receivables and other operating receivables	799	888
Debit balances and other current financial receivables	-	-
Debt		
Other non-current financial liabilities	-	-
Trade payables and other operating liabilities	7	7
Financial current accounts receivables	-	-
		-
Profit and loss statement		
Revenue	6	311
Operating expenses	-	(78)
Financial expenses	-	-
Financial income	-	-

5.3 Commitments and contingent liabilities

The analysis of the Group's off-balance sheet commitments as of September 30, 2021 is as follows (in thousands of euros):

Commitments received in favor of EuropaCorp (in thousands of euros)	30.09.2021	31.03.2021
Commitments received from customers		
<i>For the film activity</i>	1 758	2 240
<i>Audiovisual Support Fund</i>	2 105	2 105
Financial commitments for leases*	2 502	4 754
Total commitments received	6 366	9 099

* Relating to sub-lease agreements on the Cité du Cinéma's tertiary building.

Commitments given in favor of third parties (in thousands of euros)	30.09.2021	31.03.2021
Financial commitments for leases**	0	0
Vine Participation	0	0
Financial commitments on film investments	0	0
Total commitments given	0	0

** Relating to the lease entered into for a term of 12 years and which commenced on April 6, 2012 on the Cité du Cinéma tertiary building.

Total Net commitments (received - given)	6 366	9 099
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Off-balance sheet commitments received in respect of the business mainly arise from the signing of sales contracts for feature films.

5.4 Events after the balance sheet date

- Capital increases related to bonus share issues

Following the decision taken on October 26, 2020, by the Board of Directors of EuropaCorp, using an authorization given by the Extraordinary General Meeting of Shareholders of September 28, 2020, to proceed with free allocations of shares to employees and corporate officers, the Board of Directors noted, on October 26, 2021, the realization of the conditions of allocation and consequently the issuance of 585,787 new shares of thirty-four (34) euro cents each in par value.

In the same way, following the decision taken on November 16, 2020, by the Board of Directors of EuropaCorp to proceed with free allocations of shares to employees, the Board of Directors noted, on November 30, 2021, the fulfillment of the conditions of allocation and consequently the issuance of 436,365 new shares with a par value of thirty-four (34) eurocents each

These shares will be unavailable for a period of one year, starting on October 26, 2021, and November 16, 2021, respectively, and will be immediately assimilated to the old shares.

In accordance with Article L. 225-197-4 of the French Commercial Code, a special report will be presented to the next Annual General Meeting.

The Company's share capital is thus increased to 41,862,290.22 euros, divided into 123,124,383 shares of thirty-four (34) euro cents each.

- Transfer of listing on Euronext Growth

The listing of EuropaCorp shares was transferred to the Euronext Growth Paris market on November 18, 2021.

This transfer aims to enable EuropaCorp to be listed on a market more appropriate to its size and offering a regulatory framework better suited to SMEs. The transfer of the listing of EuropaCorp's shares is intended to simplify the administrative obligations imposed on the Company and to reduce the costs related to its listing, while allowing it to continue to benefit from the attractiveness of the financial markets.

EuropaCorp will continue to deliver accurate, precise and truthful information, making public any insider information concerning the Group, in accordance with the provisions of Regulation (EU) No. 596/2014 of 16 April 2014 on market abuse ("MAR").

NOTE 6 - OPERATING SEGMENTS & SEGMENT PRESENTATION

6.1 Description of the standard

6.1.1 General context

As part of the application of IFRS 8, the Group is required to provide information that enables "users of its financial statements to evaluate the nature and financial effects of the activities in which it is engaged and the economic environments in which it operates.

The Group has therefore defined its operating segments that meet the criteria of the standard for separate segment reporting.

6.1.2 Definition of operating segments

An operating segment is defined as a component of the company:

- that engages in activities that may result in the receipt of revenues and the incurrence of expenses,
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance,
- for which separate financial information is available.

Accordingly, given the approach adopted by IFRS 8, operating segments have been identified on the basis of internal reporting.

6.2 Identification of the EuropaCorp Group's operating sectors

Performance monitoring within the Group is organized around its activities and businesses.

Following the acquisition of the Blue Group, the EuropaCorp Group now operates in 4 distinct business areas which constitute "operating segments" in accordance with the criteria of IFRS 8 and which are detailed as follows

- Production and distribution of cinematographic films:
This sector corresponds to the entirety of the means of exploitation of a cinematographic film, i.e.: theatrical distribution, video broadcasting, television sales, international sales, partnerships and licenses, executive production, co-production revenues...
- Production and Distribution of TV movies/series:
This sector corresponds to all the means of exploitation of television films / series and is declined within the subsidiaries EuropaCorpTelevision (ex-Cipango), wholly owned since July 30, 2014 by EuropaCorp and EuropaCorp TV.
The length of the production cycles, the means of financing and the components of the margin differ from the "film production and distribution" sector, which justifies the existence of a separate operating sector.
- Events :
This segment corresponds to all event operating resources within and outside La Cité du Cinéma and includes the activity of Blue Event, fully consolidated as of February 28, 2013 following the capital increase through a contribution in kind.
- Other: This sector includes all the ancillary activities not directly linked to the exploitation of cinematographic or television films, namely: literary publishing, various receipts...

6.3 Financial information by operating segment

The methodology used to measure and present the figures for each operating segment complies with the accounting principles and methods described for the preparation of the consolidated financial statements.

6.3.1 Presentation of the consolidated statement of financial position by operating segment

09.30.2021	Production and Distribution of films	Production and Distribution of TV films and series	Events	Other	Non allocated items	Total
Net goodwill	0	0	0	0		0
Net intangible assets	29 414	4 829	0	0		34 243
Property, Plant and Equipment (net)	3 267	0	0	5		3 272
Other financial assets (net)	8 628	361	0	0		8 989
Investments in associates	0	0	0	0		0
Deferred tax assets	75	0	0	0		75
Other non-current assets (net)	6 525	0	0	0		6 525
Total non-current assets	47 909	5 190	0	5		53 104
Inventory	223	0	0	0		223
Net trade receivables	19 231	784	2	14		20 031
Other net receivables	5 384	130	10	1 255		6 778
Other net current assets	2 212	0	0	0		2 212
Cash and cash equivalent	36 185	12 244	123	44		48 595
Total current assets	63 235	13 158	135	1 312		77 840
TOTAL ASSETS	111 144	18 348	135	1 317		130 943

Equity - Group share					(19 063)	(19 063)
Non-controlling interests					342	342
Provisions for pensions and other post-employment benefits	435	0	0	0		435
Deferred tax liabilities	2 735	0	0	0		2 735
Bonds and financial liabilities > 1 year	6 345	0	0	0		6 345
Lease liability - long term (> 1 year)	73 157	1	0	0		73 158
Deposits and guarantees received	514	0	0	0		514
Equity investment liabilities > 1 year	0	0	0	0		0
Other non-current liabilities	5 016	27	51	0		5 094
Total non-current liabilities	88 202	28	52	0		88 281
Bonds and financial liabilities < 1 year	12 169	0	0	0		12 169
Lease liability - short term (< 1 year)	3 206	0	0	0		3 206
Provisions for risks and expenses	637	0	0	0		637
Trade payables	25 909	1 578	56	2 158		29 700
Equity investment liabilities < 1 year	0	0	0	0		0
Other financial liabilities	7 118	2 205	1	44		9 368
Other current liabilities	6 303	0	0	0		6 303
Total current liabilities	55 342	3 783	57	2 202		61 383
TOTAL LIABILITIES	143 543	3 811	109	2 202		130 943

Films and audiovisual rights investments	1 051					1 051
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6.3.2 Presentation of the consolidated income statement by operating segment

09.30.2021	Production and Distribution of films	Production and Distribution of TV films and series	Events	Other	Total
Revenue	17 092	(315)	0	544	17 320
Cost of sales	(8 416)	(20)	0	87	(8 349)
Operating margin	8 675	(335)	0	630	8 971
General and administrative expenses	(6 634)	(15)	(3)	(13)	(6 664)
Other operating income and expenses	400	0	0	0	400
Operating profit (loss)	2 441	(349)	(3)	618	2 707
Financial income	(1 537)	162	0	0	(1 375)
Income tax	(3 245)	0	0	0	(3 245)
Share in results of associates consolidated using the equity method	0	0	0	0	0
Share of non-controlling interests	0	(6)	(2)	0	(8)
Net income - Group share	(2 341)	(181)	(1)	618	(1 905)

C - CERTIFICATION OF THE PERSON RESPONSIBLE FOR THE DOCUMENT

I hereby certify that, to the best of my knowledge, the interim condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of EuropaCorp, and all of the companies included in the scope of consolidation, and that the half-yearly activity report presents a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the financial year

Saint-Denis, December 15, 2021

Axel Duroux
Chief Executive Officer