



French public limited company (*Société anonyme*)
with a Board of Directors
and share capital of €41,514,758.54
Registered office: 20 rue Ampère
93200 Saint-Denis – France
RCS Bobigny 384 824 041

UNIVERSAL REGISTRATION DOCUMENT



This Universal Registration Document was filed with the French Financial Markets Authority (Autorité des marchés financiers - AMF) on July 23, 2021 under number D.21-0726, in its capacity as competent authority under Regulation (EU) No. 2017/1129, without prior approval in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for the purpose of a public offering of financial securities or for the admission of financial securities for trading on a regulated market if accompanied by an operation note and, if relevant, a summary of any amendments made to the Universal Registration Document. Together, these are approved by the AMF in accordance with Regulation (EU) No. 2017/1129.

Copies of this Universal Registration Document are available free of charge from EuropaCorp at 20 rue Ampère, La Cité du Cinéma, 93413 Saint-Denis Cedex, as well as from the Company's website (www.europacorp.com) and the AMF's website (www.amf-france.org).

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NB: Unless otherwise stated for more recent information, all disclosures contained in this document are as of March 31, 2021

1. PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT, INFORMATION FROM THIRD PARTIES, APPRAISERS' REPORTS AND APPROVAL BY THE COMPETENT AUTHORITY

1.1 Person responsible for the Universal Registration Document

Mr. Axel Duroux, Chief Executive Officer.

1.2 Statement by the person responsible for the Universal Registration Document

"I hereby certify, having taken all reasonable measures to that end, that the information contained in this Universal Registration Document is, to my knowledge, correct and free from material misstatement.

I certify that, to my knowledge, the separate and consolidated financial statements of EuropaCorp (EuropaCorp or the Company) have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and earnings of the Company and of all companies included within the scope of consolidation (the Group), and that the management report provides an accurate picture of the business performance, earnings and financial position of the Company and of all companies included within the scope of consolidation as well as a description of the principal risks and uncertainties they face".

Saint-Denis, July 23, 2021

Axel Duroux
Chief Executive Officer of EuropaCorp

1.3 Name, address, qualifications and potential conflicts of interest of those acting as experts

Appraisal of the audiovisual rights catalog

The Company asked the Accuracy consulting firm (based at 41 rue de Villiers, 92200 Neuilly-sur-Seine) to conduct an independent appraisal of its catalog of audiovisual rights as of March 31, 2021. Accuracy is specialized in corporate financial advisory.

Accuracy has no ties with EuropaCorp, Front Line, their subsidiaries or their corporate officers that could call into question its independence. Moreover, it has no material interest in the Company within the meaning of the recommendations of the Committee of European Securities Regulators. To the knowledge of the Company, ownership of the securities, previous employment or remuneration, membership of a group and links with financial intermediaries involved in the offering or listing of securities are the criteria that apply to securities were taken into account to assess the significant interest held by the expert in the issuer.

Accuracy has authorized the Company to disclose the conclusions of its appraisal in public documents. To the Company's knowledge, the information relating to this appraisal and stemming from a third party was faithfully reproduced and there are no omissions liable to make the information reproduced inaccurate or misleading in any significant respect.

EuropaCorp's catalog was appraised on March 31, 2021 on the basis of future discounted cash flows from the production and distribution of films after April 1, 2021. The cash flow forecasts are based on:

- historical information and forecasts communicated by the EuropaCorp Group;
- an extrapolation of this information by Accuracy based on its own knowledge of the audiovisual market and the historical average performance of the films in the EuropaCorp Group's catalog.

Pursuant to the assignment entrusted to Accuracy, the information communicated to Accuracy by EuropaCorp did not undergo an independent verification.

The conclusions of the appraisal report produced by Accuracy are reproduced below. As stated, this appraisal was carried out with a view to EuropaCorp's continuity as a going concern:

"[...] we determined the value of the Catalog of the EuropaCorp Group using the discounted cash flow method on the revenue generated by the Catalog from April 1, 2021.

The appraisal below reflects the market value of the Catalog for EuropaCorp, that is, the value in use for EuropaCorp as a going concern.

On this basis, we estimated the value of the EuropaCorp Group's Catalog at €76 million as of March 31, 2021. The breakdown is as follows:

Appraisal of EuropaCorp Group's catalog (in millions of euros)	March 31, 2021
EuropaCorp's film catalog	62
Licenses	0
Tax savings	6
Non-invested financial subsidies generated	1
Value of EuropaCorp's film catalog	70
TV Series Taken	6
TOTAL value of EuropaCorp Group's catalog	76

Paris, June 15, 2021".

As of March 31, 2020, the value of the Group's catalog was valued at €100 million by Accuracy, including the series *Taken* for €9 million.

To the Company's knowledge, the information relating to this valuation and provided by Accuracy was faithfully reproduced and there are no omissions liable to make the information reproduced inaccurate or misleading in any significant respect.

1.4 Filing with and publication by the competent authority

This Universal Registration Document has been filed with the French Financial Markets Authority (Autorité des marchés financiers - AMF), in its capacity as competent authority under Regulation (EU) No. 2017/1129, without prior approval in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for the purpose of a public offering of financial securities or for the admission of financial securities for trading on a regulated market if approved by the French Financial Market Authority and accompanied by any amendments, a note on the financial securities and summary approved in accordance with Regulation (EU) No. 2017/1129.

1.5 Incorporation by reference

Pursuant to Article 19 of European Parliament and Council Regulation (EC) No. 2017/1129 of June 14, 2017, this Universal Registration Document incorporates by reference the following information:

- the Group's consolidated financial statements for the financial year ended on March 31, 2020, prepared in accordance with IFRS, featuring on pages 178-233 of the Universal Registration Document filed with AMF on July 30, 2020 under number D.20-0718, as well as the related Statutory Auditors' report on pages 155-160 of said document;
- the Group's consolidated financial statements for the financial year ended March 31, 2019, prepared in accordance with IFRS, featuring on pages 187-241 of the Universal Registration Document filed with AMF on July 19, 2019 under number D19-0717, as well as the related Statutory Auditors' report on pages 157-162 of said document;

2. PERSONS RESPONSIBLE FOR THE AUDIT

2.1 *Principal Statutory Auditors*

Acofex

Member of the Regional Association of Statutory Auditors of Paris

Represented by Bruno Malivoire
27 rue des Laitières, 94300 Vincennes

Date of appointment: September 27, 2019

Date of expiry of the current term of office: after the General Meeting of Shareholders called to approve the financial statements for the financial year ending on March 31, 2025.

Auditeurs et Conseils Associés (ACA Nexia)

Member of the Regional Association of Statutory Auditors of Paris

Represented by Eric Chapus
31 rue Henri Rochefort, 75017 Paris

Date of appointment: September 28, 2020

Date of expiry of the current term of office: after the General Meeting of Shareholders called to approve the financial statements for the financial year ending on March 31, 2026.

2.2 *Deputy Statutory Auditors*

Heloence

Member of the Regional Association of Statutory Auditors of Paris

Represented by Benoît Mulin
21 rue d'Argenteuil, 75001 Paris

Date of appointment: September 26, 2014
Date of reappointment: September 27, 2019

Date of expiry of the current term of office: after the General Meeting of Shareholders called to approve the financial statements for the financial year ending on March 31, 2025.

Pimpaneau & Associés

Member of the Regional Association of Statutory Auditors of Paris

Represented by Olivier Lelong
31 rue Henri Rochefort, 75017 Paris

Date of appointment: September 28, 2020

Date of expiry of the current term of office: after the General Meeting of Shareholders called to approve the financial statements for the financial year ending on March 31, 2026.

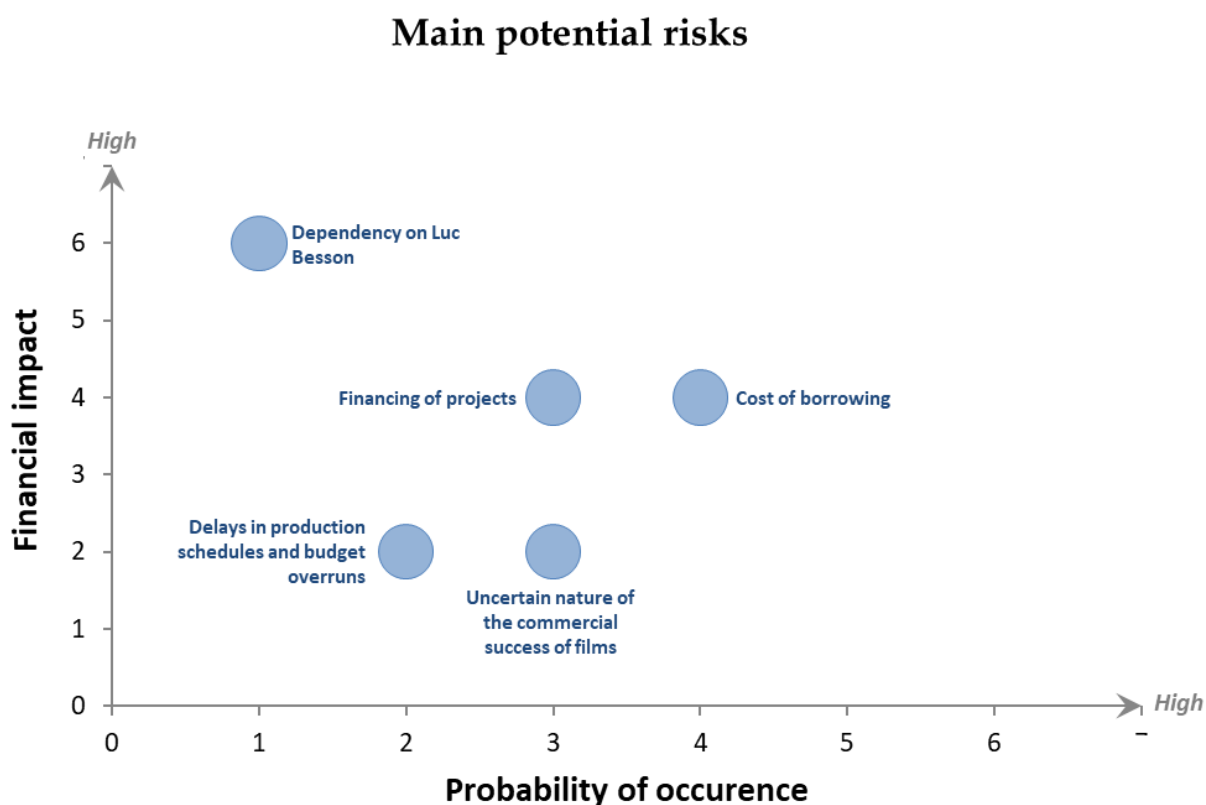
3. RISK FACTORS

Investors are advised to read carefully the risks described in this section, in addition to all the other information contained in the Universal Registration Document, before making their investment decision. The Company has conducted a review of the risks it is likely to face. The risks discussed in this section are those the Company believes, as of the date of this Universal Registration Document, could have a significant adverse effect on the Group, its business, financial position, earnings or growth if they were to materialize. The Company does not believe other material risks to exist, apart from those described.

In accordance with Article 16 of Regulation No. 2017/1129, for each risk category described below, the risks are, in the Company's opinion, categorized in decreasing order of importance.

Investors are advised to consider all of the information contained within this Universal Registration Document, including the risk factors described in this section, before making a decision to subscribe or purchase Company shares. To meet the requirements of the new "Prospectus 3" regulation applicable since July 21, 2019, the presentation of the "Risk factors" section of this document has been revised for clarity.

The graphic below summarizes the main risks broken down into two categories.



3.1 Business-related risks

3.1.1 Risks of dependence on Mr. Luc Besson

The Company relies on the input of Luc Besson in order to run smoothly and be successful. The Group's image and performance depend to a certain extent on Luc Besson's creativity and reputation. Indeed, Luc Besson's involvement, renowned creativity and reputation have a positive impact on the pre-sales of EuropaCorp productions and on the Company's ability to attract talent (writers, actors, renowned directors and quality technicians).

The Company enjoys exclusive use of the audiovisual works of Luc Besson but, in the event that this artistic collaboration were to cease or change, for any reason, the Company's activities could be affected.

Following the restructuring of the Company on July 28, 2020, EuropaCorp is now controlled by the Vine fund and, as such, Luc Besson is no longer EuropaCorp's majority shareholder. He remains Chairman of the Board of Directors of the Company, of which he is also Artistic Director.

Since Luc Besson's collaboration and availability are essential to the Company, a cooperation agreement, containing an exclusivity commitment in particular, has been signed with him (personally) as well as with the production company he controls (LBP, see Section 6.2 below).

Under the terms of this agreement, Luc Besson assumes the position of Artistic Director for the Company, overseeing all artistic activities, particularly by setting the editorial policy and content strategy, as well as selecting the projects to be presented to EuropaCorp both for direct production and distribution.

This is a five-year commitment which can be extended for a further two years. This period is to be extended automatically at the request of the Board of Directors should Vine (Fund III) and its affiliates remain EuropaCorp's majority shareholder or should the drag-along or tag-along mechanisms in the shareholders' agreement be exercised at a minimum price of €3.5 per share.

In particular, Luc Besson has committed to working exclusively with EuropaCorp and LBP in his roles as author, director and/or producer for any audiovisual entertainment, whether a film or series, and to giving EuropaCorp first refusal. Luc Besson must inform and consult the Board of Directors on any other professional activities which must be limited such that the vast majority of his professional activities are for EuropaCorp and subject to the cooperation agreement.

If, in the event that the terms of his commitment should cease to apply while EuropaCorp's operations still largely depended on him, Mr. Besson were to carry out film work outside EuropaCorp, the Group's earnings and future prospects could be affected. Furthermore, aside from the commitment described above, Mr. Besson is not contractually bound either to remain as a long-term shareholder or to remain with EuropaCorp for any length of time.

3.1.2 Risks relating to the uncertain nature of the commercial success of films

There is no guarantee that a film will be a success with the public. This success largely depends on the artistic and technical quality of the film and the hype surrounding its theatrical release, as well as the quality and success of rival productions released at the same time, the popularity of other forms of audiovisual content (including TV series), the commitment and quality of the film's distributors, the general economic climate and other tangible or intangible factors which can all change rapidly

and are difficult to predict.

The Group's prolonged inability to produce films with considerable public appeal in France and among audiences in regions where the films are distributed could harm its image, business, growth prospects and ability to make pre-sales and to raise funding using its lines of credit, as well as to attract well-known actors and directors and experienced crew.

The conception and approval process of film projects developed by the Group is geared towards selecting those projects which are most likely to appeal to the public.

Although the Group has branched out into television production and distribution, its core activity remains the production and distribution of feature films. Its operations are therefore less diversified than some of its competitors, especially those who belong to integrated groups operating numerous theaters or television channels and which therefore benefit from recurring revenue streams enabling them to offset the irregular nature of revenue from the production and distribution of films. A significant percentage of the Group's revenue comes from the exploitation and distribution of the films it produces or to which it acquires distribution and/or broadcasting rights. Consequently, without further diversification the Group's earnings could be affected if its films were to perform below expectations.

The revenue generated by a given film can vary significantly from one quarter or half to another, insofar as it depends not only on the film's success, which is difficult to predict, but on the timing of the theatrical release and video release and the delivery dates for international distributors. This impact may, in some cases, be higher than for certain competitors who produce or release more films than EuropaCorp.

The combination of these various factors and the fact that the Group's revenue are linked to the release schedule can lead to dramatic fluctuations in the Group's half-year revenue and earnings. The revenue and earnings generated for a given half are therefore in no way indicative of the Group's annual revenue and earnings.

However, the irregular nature of the Group's revenue from the production and distribution of new films could be lessened thanks to more effective use of its production catalog and its involvement in more recent projects, such as audiovisual drama productions via EuropaCorp Television.

3.1.3 Risk of delays in production schedules and budget overruns

The production, filming and distribution of films are governed by numerous constraints, particularly regarding the search for funding, the availability of talent and quality material, as well as the timing of films released by rival studios. The Group cannot guarantee investors that all the films it makes will be completed or be released on schedule and within budget which may adversely affect the Company's business.

A significant production delay could have negative repercussions for the Group, such as higher production costs and financial charges relating to the film, the obligation to shift the film's theatrical release date outside the ideal window or even delay the film's broadcast on pay TV and free-to-air channels and its video release.

Where the Group is executive producer of a film, due to the limited commitments of co-producers, it alone bears the risk of cost overruns if co-producers are unwilling to finance their share of the overrun. When the Group invests as co-producer, its decision not to fund its share of a cost overrun could limit its right to a portion of the film's receipts and its involvement in the executive producer's decisions, particularly regarding changes made to the film to cut costs, which, in each case, could

reduce the Group's expected revenue.

Section 5.1.1.5 of the Universal Registration Document describes the cost control policy introduced by the Group to prevent budget overruns and production delays. In addition, the internal control procedure implemented by the Company is also aimed at reducing these risks (see Section 14.6 of this Universal Registration Document).

Following the restructuring and in the context of the new production structure, the nature of this risk will remain unchanged.

3.2 Financial risks

3.2.1 Risks related to the Covid-19 pandemic

The health crisis linked to the Covid-19 pandemic has had numerous consequences on the film sector, including the suspension of filming, the limitation of international coproductions and the closure of cinemas, which has led to a very significant decline in production and investment (*"Film production in 2020,"* Les Etudes du CNC, March 2021).

As of the filing date of this Universal Registration Document, the Group considers that the Covid-19 epidemic may result in delays in the production and/or release in theaters of any films on which the Company begins production.

The Company is also expecting a decrease in footfall in theaters owing to the strict health conditions that the government may introduce as part of its management of the health crisis.

Following the Covid-19 pandemic and its impact on the Group's production start-ups, the commissioners for the execution of the Company's safeguard plan presented a request to the Commercial Court of Bobigny on December 14, 2020 to extend the duration of EuropaCorp SA's safeguarding plan by an additional two years. The Commercial Court of Bobigny granted this request on March 16, 2021.

3.2.2 Risk related to the cost of borrowing

The liquidity risk to which the Group is exposed is inherently part of the film production and distribution business. There is usually a period of several months between the time investments are made to produce and promote a film and the collection of receipts on the other. This lag time may require the use of bank loans. Although the Group seeks to limit its financial exposure as early on as possible in the process through a policy of pre-selling international distribution and television broadcasting rights for the films it produces, the Group cannot guarantee that it will always be able to implement such a policy, nor that it will completely shield it from liquidity risk.

To bridge the gap between the timing of investments and the collection of film exploitation receipts under optimum conditions, the Group has a new credit line which will enable future productions to be funded. It has been subscribed by a new generation of Vine funds and certain members of the Vine funds that are already lenders to the Company. This main credit line in the initial amount of \$100 million may be increased to \$125 million and bears annual interest of 8%. It must be repaid after a period of five years but can be refinanced within the first 18 months on the total amount of commitments with a fee of 2%. No drawdowns had yet been made on this line as of March 31, 2021.

It should be noted that two credit lines had previously been made available to the Company, the terms of which had been successively renegotiated. A principal line of credit arranged by JP Morgan,

which bears interest on the basis of the EURIBOR/LIBOR rate plus a bank margin of 3.25%, and a secondary credit line, subscribed by Vine, which bears interest at the annual rate of 15%.

As of March 31, 2021, €85.6 million had been drawn against this principal credit line. As part of the safeguard plan, approved on July 24, 2020 by the Commercial Court of Bobigny, the repayment of this first credit line is scheduled over seven years. Following the request relating to the impact of Covid-19 on the Company, presented to the Commercial Court of Bobigny in December 2020, which validated it in March 2021, an extension of two additional years was obtained, so that the total duration of the safeguard plan is now nine years from July 24, 2020, implying the following new payment schedule:

Year	1	2	3	4	5	6	7	8	9
% repayment	5.8%	11.8%	10.6%	6.7%	12.4%	12.4%	12.1%	14.6%	13.6%

As for the secondary credit line, it was fully converted into capital on July 28, 2020 with the completion of the share capital increase reserved for Vine Media Opportunities – Fund III for the sum of €115.3 million, share premium included, paid up through the equitization of the receivable.

As a result, consolidated net debt amounted to €43.6 million as of March 31, 2021, compared to €152.6 million as of March 31, 2020 and €159.8 million as of March 31, 2019. For a detailed description including figures of the Group's financial debt as of March 31, 2021 and March 31, 2020, and of its net cash position on the same dates, see Section 8 and Appendix 1 of this Universal Registration Document.

As security for these credit lines, EuropaCorp and some of its subsidiaries (Blue Advertainment, Digital Factory, EuropaCorp Distribution, EuropaCorp Home Entertainment, EuropaCorp Music Publishing, Roissy Films and Ydéo) granted first-line and second-line guarantees on all their assets, and notably a pledge of financed assets, as specified in the notes to the consolidated financial statements (Appendix 1), to the exclusion of any other guarantee.

3.2.3 Interest rate risk

The Group's exposure to interest rate risk mainly concerns the amount drawn down from the revolving credit line.

The principal credit line bears interest, for loans granted in euros, based on the one month Euribor rate, plus a bank margin of 3.25% and, for loans granted in dollars, based either on the Libor rate, plus a bank margin of 3.25% or the Alternate Base Rate, plus a bank margin of 2.25%.

Maturity of the Group's financial assets and liabilities excluding trade and trade payables under IFRS as of March 31, 2021 (in thousands of euros)

(in thousands of euros)	03/31/2021	Maturities		
		< 1 year	1-5 years	> 5 years
Fixed rate financial assets	-			
Variable rate financial assets	46,952	46,952		
Financial assets not exposed	8,961	-	8,351	610
Financial assets	55,912	46,952	8,351	610
Fixed rate financial liabilities	-			
Floating-rate financial assets	90,577	6,786	38,722	45,069
Financial liabilities not exposed	-			
Financial liabilities	90,577	6,786	38,722	45,069

Based on the net position due for renewal within one year (after hedging) as of March 31, 2021, the Group estimates that a 0.5% rise in interest rates would result in a negative impact on net income of €218 thousand, before capitalization of financial expenses in the cost of the films.

In the event of a 0.5% rise in interest rates on the Group's outstanding borrowings, some of the additional financial expenses would be spread over the films and recouped from the financial costs of the productions in which these borrowings are used. This would increase the costs of making the films, to be written down according to the depreciation rules adopted by the company.

The Group's Finance Department regularly monitors changes in the variable rates on which the Group's outstanding borrowings are based. This allows it to establish the appropriate hedges, wherever possible and competitive given the repayment dates. Note that the use of credit lines is mainly short-term (6-18 months), considering the maturity of the receivables used as collateral. Therefore, if the Company's exposure to interest rate risk should increase, financial hedging instruments could be used depending on the expected changes in market rates and based on the opinion of the Finance Department.

For more details, see Section 3.13 of Appendix 1 of the Universal Registration Document on interest rate risk.

The new credit line described under Section 8.2.2 below will be at a fixed rate and as such will not carry any interest rate risk.

3.2.4 Foreign exchange risk

The Group is temporarily exposed to foreign exchange risk during filming where certain expenses are in U.S. dollars (or other currencies), or where minimum guarantee amounts from international pre-sales are expected to be paid in U.S. dollars. The Group therefore examines on a case-by-case basis the need to establish a hedge to cover these foreign exchange risks. This assessment is carried out in view of the amounts and maturities involved, the hedging costs and the obligations attached to finance it is able to raise against contracts.

When EuropaCorp raises finance against contracts in U.S. dollars under its credit line, it is effectively obliged to establish a currency hedge, which requires EuropaCorp to use the appropriate hedging facilities. If the hedging facility available from banks is reduced, the ability to raise finance against contracts in U.S. dollars would also be reduced, as would its ability to finance the films concerned.

As of March 31, 2021, the Company no longer had any currency hedges in place.

During the financial year ended on March 31, 2021, the revenue billed in a currency other than the¹ euro amounted to €17,491 thousand, representing 42% of consolidated revenue.

The Group's net foreign currency positions as of March 31, 2021 are summarized below:

<i>(In thousands of euros)</i>	U.S. dollars
Assets	29,605
Liabilities	(86,997)
Net equity before hedging	(57,392)
Off-balance sheet position	0

¹Revenue from outside the Eurozone corresponds to revenue from international sales made outside the 18 euro-zone countries, namely Germany, Austria, Belgium, Cyprus, Spain, Estonia, Finland, France, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Portugal, Slovakia and Slovenia.

Net equity after hedging	(57,392)
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The following table shows the impact on the EuropaCorp Group's income of a 10% change (increase or decrease) in the U.S. dollar (USD):

<i>As of March 31, 2021</i>	<i>In thousands of dollars</i>	<i>€/USD rate</i>	<i>In thousands of euros</i>	<i>Impact on EuropaCorp income</i>
Net position in USD	(67,292)	1.1725	(57,392)	<i>(in thousands of euros)</i>
Impact of a 10% decrease in USD	(67,292)	1.28975	(52,174)	5,217
Impact of a 10% increase in USD	(67,292)	1.05525	(63,769)	(6,377)

For more details, see Section 3.13 of Appendix 1 of the Universal Registration Document on foreign exchange risk.

3.2.5 Financial risks relating to the production or coproduction of films

The Group's policy, albeit one which is not systematically applied, is not to embark on a film's production unless a significant portion of the production cost is, based on the expressions of interest received, potentially covered by firm commitments (television and international pre-sales and/or contributions from co-producers and/or the tax credit – see Section 5.1.1.4 of this Universal Registration Document), which must be signed before the film is released in theaters. This coverage rate is around 70% to 80%, and can exceed 100% as for the latest productions *Anna* and *Taxi 5*.

To maintain an opportunistic approach so that it can tailor this policy to the specific characteristics of each film and depending on the Group's role (executive producer, co-producer), the level of risk coverage and timing of this coverage can vary from one film to another.

In addition, the Group is still exposed to the potential failure of a buyer to honor its commitment during the interim period between the expression of interest and the formal signing of the contract – although this type of withdrawal is rare in practice – or even of a buyer defaulting on the contract. Even though the Group could potentially take legal action, this type of withdrawal could affect its policy of pre-financing its productions and expose it to a greater financial and liquidity risk.

Finally, when acting as executive producer, the Group takes responsibility for the film's success, not only indemnifying the co-producers against any budget overrun, but also promising to deliver a film that meets the contractual terms, since the contract specifically mentions the film's technical and artistic properties and sometimes even identifies the lead actors. If the Group fails to honor its commitments under the coproduction agreement, there is the risk that this could be terminated, involving the repayment of all monies paid by the co-producer. Agreements for the purchase of television broadcasting rights and international sales agreements could contain similar clauses. Therefore, were the Group unable to complete the shooting of a film for which it has guaranteed completion, or to deliver the film in accordance with the contractual specifications, it could face the termination of all contracts signed prior to the theatrical release with co-producers, TV channels and foreign distributors.

3.2.6 Risks related to La Cité du Cinéma

On May 18, 2009, the Group signed a commercial lease with EuropaCorp Studios on an office complex at the site of La Cité du Cinéma, with annual rent of €6.4 million indexed (as of April 6, 2019 it represented €7.4 million excluding service charges, €9.7 million including service charges, prior to the renegotiation in early 2020) and for a fixed 12-year term with the option of sub-letting.

Given the upcoming 2024 Olympic Games, during which La Cité du Cinéma is intended to serve as the core of the Olympic Village, the work that will have to be completed in a relatively short period for this purpose, and the need for EuropaCorp to reduce its rent liabilities, EuropaCorp and its landlord, La Nef Lumière, have agreed to the partial termination of the lease with reduced surface areas and a reduced price per square meter. This partial termination was accompanied by the payment of rent in arrears (€10.6 million), a termination penalty of €5.6 million over seven years and the introduction of a better fortunes clause which may result in the payment of an additional sum of €10 million by the end of the lease in 2024 in the event that the transfer price of shares subscribed by the Vine funds has enabled a sum of €181 million to be repaid.

4. INFORMATION ABOUT THE ISSUER

4.1 Issuer company name and trade name

The company name as well as the trade name is “EuropaCorp”.

4.2 Number and place of registration and identifier of the issuer’s legal entity

The company is registered with the Trade and Company Register of Bobigny, company registration number 384 824 041. The company’s SIRET business identification number is 384 824 041 00071 and its APE code is 5911 C (motion picture production).

The identifier of the company’s legal entity is: 969500M0C1OJODVJGT68.

4.3 Date of incorporation and duration of the issuer

The company was originally incorporated on January 15, 1992 and was incorporated on March 26, 1992. The company will cease trading on March 26, 2042, unless this period is extended or the company is dissolved prior to that.

4.4 Registered office, legal form and applicable legislation

At the filing date of the Universal Registration Document, the company’s registered office was located at 20 rue Ampère, 93200 Saint-Denis, France. The main telephone number of the company’s headquarters is +33 1 55 99 50 00. The company website is “<http://www.europacorp.com>”. The information on the website is not part of the Universal Registration Document unless specifically referred to.

The company emerged following the conversion of the limited liability company EuropaCorp SARL which, in accordance with Article L.223-43 of the French Commercial Code, took the form of a public limited company (*société anonyme*) following the extraordinary resolution of its members on December 28, 2000.

The company, which had had a Management Board and Supervisory Board since March 5, 2007, adopted the administration and management model of a public limited company with a Board of Directors following a resolution of its General Meeting of Shareholders on September 16, 2008.

The company is notably governed by ordinary law on commercial enterprises, and in particular Book II and Book VI of the French Commercial Code with its regulatory part on commercial enterprises, as well as certain provisions of the French Film Industry Code.

5. BUSINESS OVERVIEW

5.1 Main activities

5.1.1 Nature of operations performed by the issuer

The Group's core business consists of film production and distribution. In its production business, EuropaCorp usually acts as executive producer (or co-executive producer) and has artistic and financial responsibility for a film's production. EuropaCorp may also act as co-producer. The Group will continue to perform its duties as Executive producer but may also coproduce and distribute films produced by LBP across all territories (see Section 6.2 below). Through its subsidiaries EuropaCorp Distribution and EuropaCorp Home Entertainment, the Group is responsible for the theatrical release in France of the films it produces and their video release and sales in France. In December 2018, the Group signed a distribution partnership with Pathé Films for France (see Sections 7 and 20 of this Universal Registration Document). EuropaCorp is directly responsible for international sales of the distribution rights to the films it produces, sales of television broadcasting rights, sales of broadcasting rights to its films on video-on-demand subscription platforms in France, and the complementary exploitation of its films in the form of related merchandise, licensing and partnerships.

To integrate and control the various activities during a film's life cycle, the Group relies on the skills and talents of its management team and employees. By seeking to control the production and distribution chain, the Group can apply its professionalism, methods and quality standards during each stage of the film's conception and marketing, while creating a production "label" through the use of sophisticated techniques and talented writers, directors and crew.

Moreover, during the fifteen years of its existence, the Group has endeavored to create a catalog of quality films.

Finally, through its various legal entities and shareholdings, the Group has developed repeat business in complementary areas: particularly in English-language TV production (EuropaCorp Television), publishing of musical works linked to films (Orchestra), and post-production (Digital Factory).

5.1.1.1 *Production: conception and creation of content with real commercial potential*

The conception and production of films represent EuropaCorp's core business. During the 2020/2021 financial year, the Group's investments in film and audiovisual production or coproduction amounted to €495 thousand compared with (€205) thousand for the 2019/2020 financial year, the Company having postponed the start of production of new projects due to the financial restructuring, and due to the safeguard period extension caused by the Covid-19 epidemic. However, the Company has continued to develop content aligned with EuropaCorp's historic successes and production of such content will start as soon as possible.

When selecting films, the Group strives for an increasingly international line-up.

5.1.1.2 *Attracting new talent*

In recent financial years, EuropaCorp has demonstrated its ability to seek out and engage new talent for its projects. For example, the Group has discovered and endorsed the talent and expertise of new directors like Pierre Morel and Olivier Megaton.

EuropaCorp frequently attracts world-famous actors such as Robert de Niro (*Malavita (The Family)*), Tommy Lee Jones (*The Three Burials of Melquiades Estrada*, *Malavita (The Family)*, *The Homesman*), Michelle Pfeiffer (*Malavita (The Family)*), Kevin Costner (*3 Days to Kill*), Scarlett Johansson and Morgan Freeman (*Lucy*), Michelle Yeoh (*The Lady*), Liam Neeson (the *Taken* saga), Cara Delevingne and Dane DeHaan (*Valerian and the City of a Thousand Planets*), Helen Mirren and Cillian Murphy (*Anna*). The Group also exerts a pull on many French and foreign independent producers, drawn by the professionalism and experience of its management (as evidenced by its role as co-producer on *Little White Lies*, written and directed by Guillaume Canet, *Möbius*, written and directed by Eric Rochant and *Saint Laurent* by Bertrand Bonello), as well as with established French actors such as Jean Dujardin, Marion Cotillard, François Cluzet, Jean Reno, Catherine Deneuve, Gaspard Ulliel, Léa Seydoux and Gilles Lellouche.

5.1.1.3 A consistently thorough project conception and approval process

5.1.1.3.1 Selection and development: building the potential for success

When selecting the projects pitched to it and the screenplay ideas developed in-house, the Group is committed to maintaining a diverse editorial line, keen to produce ambitious, high-quality work appealing to a wide audience whatever the film genre (comedy, action, genre movie, etc.). Once a project has been selected, the Group carries out work to build the film's potential profitability, which involves most of the Group's operational departments. Initial contact is made with television channels (pay TV and free-to-air) to gauge their interest in the film and estimate the amount of pre-sales likely to be made.

The Group also analyzes the project's international potential while it is still in development. Although most French film producers nowadays tend to focus on the domestic market, only branching out into foreign distribution if the film is a commercial success, EuropaCorp, like the major studios, plans the film's international distribution from its initial conception. As a result, EuropaCorp is currently one of the few independent French producers to make films in English (e.g. the *Transporter* and *Taken* franchises, *Valerian and the City of a Thousand Planets*, *Anna*, *Lucy*, *Malavita (The Family)*, *From Paris with Love*, *3 Days To Kill*, *I Love You Philip Morris*, *Colombiana*, etc.), thereby maximizing their potential for international distribution.

In addition, as soon as the film goes into production, EuropaCorp assesses the film's video distribution potential, increasing this by producing content specially designed for this format (e.g. "making-of" documentaries, bonus features, etc.).

5.1.1.3.2 Project approval criteria

Like the development phase, when the artistic and economic aspects are studied jointly, the decision to greenlight a film results from the dual artistic and economic approval of the project by Senior Management. Artistic approval is based primarily on an assessment of the intrinsic qualities of the final screenplay (after rewrites), the suitability of the project for EuropaCorp's editorial line and the availability of the chosen talent (director, cast and crew).

Economic and financial approval is based on the estimated coverage, essentially calculated based on co-production contributions, initial feedback from television channels (pay TV and free-to-air) on the proposed pre-sale of television rights, estimated pre-sales to foreign distributors according to the film's international potential, assumptions regarding the exploitation of the film on various platforms (French theaters, French DVD, etc.) and any tax credits likely to be generated by the project. The project is only greenlit if the projected financial coverage is deemed satisfactory, or, as a rule, if the Group has received expressions of interest indicating that at least 70-80% of the film's production costs will be covered by firm commitments (including coproduction and pre-sales) on the theatrical

release date.

The project is also considered from the point of view of the Group's funding capacity, taking into account its other projects in the pipeline. A cash flow forecast is then prepared for the film based on the Group's provisional cash flow forecast, mainly to assess what impact it might have on the Group's debt situation.

Lastly, the final criterion that could result in the project being greenlit is the project's future "catalog value," i.e. its value generally after the first three years of exploitation of the film.

Until the film is greenlit, only preliminary expenses are incurred. These costs essentially consist of authors' and screenwriters' fees, and the costs of securing the film adaptation rights. They are reported separately and reviewed project by project at each period end. Preliminary costs that do not lead to a decision to shoot within five years from their first recognition are depreciated. However, this principle does not apply to projects having been recognized for more than five years, if there are specific production engagements or genuine expressions of interest, or when the company believes that the development timeframe does not call into question the start of shooting in the long term.

5.1.1.4 *Hedging policy for financial risk*

5.1.1.4.1 The nature of financial risk

EuropaCorp usually acts as executive producer in film production. As such, it guarantees the successful completion of the film and is responsible for most of the costs, management, making of the film, budgeting, shooting and editing of the film. Conversely, when it acts as financial co-producer, EuropaCorp only has an investor role, and assumes no further liability beyond the amounts invested. In both cases, EuropaCorp owns shares in the film in return for a share of the production cost and is entitled to a share of the receipts, which means that it receives a percentage of the producer's share of the net profit (which is not necessarily proportional to its share in the film, since this is contractually agreed in line with standard industry practice).

Production costs, also called "negative costs," mainly include the salaries of talent (cast and directors) and other participants (crew), studio and location hire, the cost of production equipment, obtaining the copyright to the screenplay, photography and post-production. Around 20-30% of these costs are incurred during the pre-production phase, 50-60% during shooting and the remainder during post-production.

The Group also acquires rights to receipts (distribution in theaters, TV and video broadcasting, etc.) of films produced by third parties, often foreign, on which no loss share is acquired. In this case, the Group acts as a film distributor for certain territories and exploitation formats, and not as producer or co-producer. Accordingly, the Group's costs are limited to the cost of acquiring the distribution rights (including the minimum guaranteed amounts usually paid in this regard), and expenses incurred in connection with the film's distribution in theaters and on video.

5.1.1.4.2 Hedging financial risk

The film production and marketing process requires large amounts of capital. The Group has therefore introduced a policy to cover a significant portion of its investment in each film as early on as possible.

When it acts as executive producer, the financial risk is reduced mainly through pre-sales and coproduction contributions. The Group's policy, albeit one which is not systematically applied, is not to commence production on a film unless a significant portion of the production cost (around 70-80%)

is, based on the expressions of interest received, potentially covered by firm commitments on the theatrical release date (pre-sales and/or contributions from co-producers), plus any tax credits. This coverage rate may be greater than 100%, as was the case for the Group's latest productions, *Taxi 5* and *Anna*.

Hedging is effectively provided by the various financial contributions (from co-producers, for example), the sale, before the film's release, of television broadcasting rights, foreign distribution rights and, where appropriate, other derivative rights and any tax credits attached to the film. Buyers of international distribution rights are generally willing to pay a fixed amount or "minimum guarantee" and, where appropriate, additional revenue depending on the film's success.

When it acts as financial co-producer, the Group's policy is to obtain, in addition to a share in the film and receipt rights in return for its investment (contractually agreed), distribution rights both in France and abroad. When implemented successfully, this policy enables the Group, even as co-producer, to claim certain rights in some cases, such as distribution rights in foreign territories or television broadcasting rights, which will cover its financial risk as co-producer.

To maintain an opportunistic approach so that it can tailor this policy to the specific characteristics of each film, the level of risk coverage and timing of this coverage can vary from one film to another. However, EuropaCorp monitors the financial risk resulting from all its commitments, and strives to ensure that in a given financial year, the total amount of its production investments is approximately 70-80% covered before the theatrical release of the films concerned.

In the 2017/2018 financial year, the overall coverage rate of the produced or co-produced films amounted to 85% on the theatrical release date for a total investment of €235.2 million. In the 2018/2019 financial year, the overall coverage rate of the produced or co-produced films amounted to 74% on the theatrical release date for a total investment of €52.9 million. In the 2019/2020 financial year, the overall coverage rate of the produced or co-produced films amounted to 115% on the theatrical release date for a total investment of €32.2 million. No films were released during the 2020/2021 financial year.

A- International partners

As part of its financial strategy for the pre-sale of films, EuropaCorp attaches considerable importance to the special relationships it has with numerous international distributors, from whom it receives minimum guaranteed amounts for the sale of rights abroad. The network of relationships that EuropaCorp has built up allows it to retain its streamlined, responsive structure. EuropaCorp prefers to sell its films to distributors rather than develop local distribution subsidiaries, which allows it to implement its risk hedging strategy and maintain optimum size.

EuropaCorp has a special relationship with Lionsgate in the United States, as well as with most of the other major U.S. studios or their subsidiaries, such as Universal, Sony Pictures Entertainment, 20th Century Fox and Focus Films.

In most of the other countries where its films are distributed, EuropaCorp maintains special relationships with a few distributors that it considers to be highly qualified in that country (e.g. Forum in Israel or Gulf in the Middle East). It nevertheless also meets with all market players in order to determine the best distributors depending on the type of film.

In general, standard practice is for the distributor to pay the first part of the minimum guarantee on signing the contract (often around 20%), more rarely a second payment is made during shooting and the balance (up to 80%) paid on delivery of the film. EuropaCorp generally sells international distribution rights to a film in all traditional formats (cinema, television, video and VOD) for a country or group of countries, for a share of the future receipts received by the distributor subject to a

minimum guarantee amount.

B- Sale of television broadcasting rights

The right to sell television broadcasting rights to French television channels is traditionally held by one of the executive producers of the film.

The Group is accustomed to working with all broadcasters in the sector, particularly the TF1 group, OCS, Canal+, Ciné+, the M6 group, or France Télévisions.

TF1 (France's leading channel by audience) regularly acts as co-producer and/or buys the rights to broadcast films for which EuropaCorp was executive producer. Of the 90 films released in theaters as of March 31, 2021 and for which EuropaCorp acted as executive producer or co-executive producer, 50 were sold to TF1.

Canal+ and OCS are EuropaCorp's preferred partners for pre-sales of television broadcast rights. For example, Canal+ has purchased the exclusive first broadcasting rights in France on pay television of 82 of the 90 films released in theaters as of March 31, 2021, all produced or co-executive produced by EuropaCorp.

Agreements between EuropaCorp and television channels are negotiated on a film-by-film basis. In general, the channel pays a fixed minimum amount for the exclusive broadcasting rights in France plus, in some cases, an additional amount based on theater admissions, the overall price being capped. This broadcast may take place a minimum of eight months after the film's release for pay movie channels (Canal+, Ciné+, OCS), or six months for films with fewer than 100,000 theater admissions, and after 22 months from release for free-to-air TV channels that have coproduction commitments amounting to at least 3.2% of their revenue (period shortened to 20 months if the film had fewer than 100,000 theater admissions), or after 30 months for the others (28 months if the film had fewer than 100,000 theater admissions).

5.1.1.5 *Managing film production and promotion costs*

The Group makes every effort to control the costs of its productions in an environment where film production costs, both in France and abroad, are steadily increasing, partly because of the higher salaries commanded by directors, cast, screenwriters and other artists, and partly due to the cost of special effects and other elements essential to the film's success. When acting as executive producer, EuropaCorp routinely appoints an experienced producer to supervise and manage the budget. The producer's job is to monitor, on behalf of EuropaCorp as executive producer, production alongside the production manager and film administrator, essentially by monitoring the production budget, spending commitments and filming and editing schedules.

For each production, a line producer, who may be independent or an employee of EuropaCorp, is also responsible for day-to-day supervision of the work. For example, shooting costs are managed by allocating a budget for each scene; the line producer is responsible for ensuring that this is followed to avoid going over budget. The Group is committed to having flexible, responsive teams that can act swiftly to minimize the financial impact of unforeseen events during shooting (adverse weather, technical failure, screenplay adaptation, etc.). A comprehensive progress report for each film (expenditure statement, estimated cost at completion) is also submitted each month to the company's management team by the central film administration unit. As a result of this rigorous cost control since its creation, EuropaCorp has virtually never exceeded the initial production budget of the films it has produced, with the exception of six films including two animated films of which the overruns were due to failures of service providers hired by EuropaCorp to handle the production of animated

pictures. At present, the Company does not intend to launch any new animated film projects.

Where EuropaCorp is co-producer on a film – and therefore essentially an investor – it has a coproduction minority interest while being consulted on every major decision concerning the film's content. Because its contribution is then strictly limited to the amount originally paid for its coproduction interest, EuropaCorp does not bear the risks associated with any budget overruns and is not bound by a completion guarantee for the film. In general, to protect its investment if the film goes over budget, EuropaCorp's policy is to contract with producers and other co-producers that any additional contributions from other producers cannot reduce the share of the film initially assigned to EuropaCorp, and that such additional contributions can only be covered after repayment in full of EuropaCorp's investment.

Furthermore, to protect itself against many of the unforeseen events that can have a major impact on its productions, the Group takes out insurance for each production for which it acts as executive producer. All of the film's co-producers are covered by these policies.

Finally, EuropaCorp's Finance Department monitors and audits the budgeting process and cash flow for each film as well as for the Group as a whole (see Section 14.6.II-3 of the Universal Registration Document).

5.1.1.6 TV production

The Group did not make any investments in television drama production in the 2020/2021 financial year.

The strategy and economics of television production are different than film production. The Group relies on the experience of the U.S. team to develop projects that meet the demand from international broadcasters. As such, several EuropaCorp Television dramas have been broadcast or will soon be broadcast on HBO, TNT and NBC.

For EuropaCorp, television production is an opportunity to invest in less risky activities than film production, since projects are generally pre-financed to a greater extent than in film production. As producer, EuropaCorp Television effectively initiates and develops most of its television series with one or more television channels, which, as broadcasters, will cover a large part of the funding. Given the commercial potential of these series internationally, the funding plan for the series is often complemented by pre-sales or international funding once the development phase has passed. This makes it possible to have larger budgets for epic series such as *Taken*.

EuropaCorp Television, as producer, ensures throughout the production process that the artistic content and budget initially agreed with the broadcaster are met. Controlling production costs is in fact the key to profitability when producing a TV series. EuropaCorp teams have already proven their expertise through their ability to produce quality works systematically within budget.

5.1.2 Distribution: managing vertical and multimedia film exploitation

Owing to its vertically integrated structure, the Group is active in France at each stage of a film's distribution. Traditionally, the distribution life cycle is split into two parts: the first part is from the film's theatrical release until the second or third television screening on a free-to-air channel, while the second part covers the period after this (see Section 5.2.1 of the Universal Registration Document).

5.1.2.1 Film exploitation

Thanks to its subsidiaries EuropaCorp Home Entertainment and EuropaCorp Distribution,

partnerships established for the VOD distribution of its films, and relationships with various television channels, the Group has optimal control over first runs of films on French territory, and it has maximized the receipts generated by such films during second runs, whether the film was produced by EuropaCorp or produced outside the Group and its distribution rights were acquired.

The Group signed a distribution partnership for France with Pathé Films in December 2018. This partnership pertains to films produced or co-produced by EuropaCorp and concerns three films per year for a three-year period. It took effect with Guillaume Canet's *Nous finirons ensemble* (Little White Lies 2), released in theaters on May 1, 2019, and Luc Besson's *Anna* released on July 10, 2019. The terms and conditions of this partnership will be decided film by film.

5.1.2.1.1 Film distribution in theaters

The role of a distributor is to guarantee, through a distribution agreement, that a film is distributed to as many movie theaters as possible. EuropaCorp Distribution, a wholly-owned subsidiary of EuropaCorp, performs this activity for theaters located in France. To this effect, EuropaCorp Distribution signs a distribution agreement with EuropaCorp for each film produced or each film whose distribution rights have been acquired by EuropaCorp, which grants the subsidiary the right to distribute those films in exchange for remuneration.

The subsidiary defines and develops a marketing strategy and distribution budget within budgetary limits set by EuropaCorp and takes care of publishing costs (marketing and copies). The distributor's remuneration corresponds to a commission on box office receipts paid by the theaters that screen the film. The distribution agreements provide for all receipts paid by theaters to be held by the distributor until its commission, the publishing costs incurred, and the amount of the minimum guarantee costs that it contributed to production are recovered.

The distribution of a film in theaters constitutes the first run of a film, which is a major step because the exploitation of the film over this period will determine its reputation and thus its commercial potential in future screenings. Thanks to its integration within the Group, EuropaCorp Distribution evaluates the film's potential in advance and develops a targeted marketing strategy for each production by using all possible media to promote the film: posters, trailers, promotion and visibility of the film at festivals prior to its release, and any other appropriate promotional material. The choice of the film's release date in theaters, which is based on expected releases by competitors or the dates of school holidays, also constitutes an important factor in the success of a film in theaters and is usually approved with the main programmers (which can represent a national circuit of theaters or a grouping of private theaters). Downstream, based on trade negotiations several weeks before the release of a film, the Group defines the copy rental policy regarding the film's programmers and movie theater operators.

The marketing strategy for each film is determined and implemented within EuropaCorp. For each film, the Group develops the advertising design and space purchasing strategy.

Receipts are shared between the distributor and the movie theater operator under a rental agreement, which is actually rarely signed, as has become the custom in the industry. This contract generally provides for a sharing of receipts excluding tax based on 50% for each of the contracting parties, and distribution can then change after several weeks of exploitation, by mutual agreement between the parties, to a level of 30% of receipts for the distributor and 70% for the theater, depending on the success of the film in theaters and negotiations on how long the film will be shown. It is worth noting that in France, the French National Center for Cinema (CNC) limits the share of receipts that distributors can receive to 50%.

Breakdown of the price of a movie ticket in France

VAT		5.27%
TSA (special tax on ticket prices)		10.72%
SACEM		1.27%
Theater's share		50% of receipts excl. tax (increased, as the case may be, to 70% a few weeks after a theatrical release)
Distributor's share	Distributor's commission	50% of receipts excl. tax (decreased, as the case may be, to 30% a few weeks after a theatrical release)
	Publishing costs (copies + promotion)	
	Producer payment	

A distribution partnership was signed with Pathé Films for France in December 2018, involving three films per year for a period of three years. This partnership, relating to films produced or co-produced by EuropaCorp, began with Guillaume Canet's *Nous finirons ensemble* (Little White Lies 2) released on May 1, 2019 and Luc Besson's *Anna* released on July 10, 2019. The terms and conditions of this partnership will be decided film by film.

In the 2020/2021 financial year, the French theatrical distribution business represented 1.4% of the Group's revenue, with no films being released in theaters during the year.

5.1.2.1.2 Distribution of films on video

EuropaCorp Home Entertainment, a wholly owned subsidiary of EuropaCorp, specializes in publishing and distribution of films and programming in video format in France. The pricing policy of EuropaCorp Home Entertainment and the EIG is determined based on video market practices. Films have three main life/pricing periods (full price, middle price, and budget price). These prices and pricing operations vary over the period the product (films or other) is marketed. During negotiations with retailers, the distributor's DVD and Blu-ray sale prices are generally lowered after four and six months.

In addition, the Group, via its EuropaCorp Films USA, Inc. subsidiary has a video publishing and distribution agreement for its films with Lionsgate in the United States.

The Group also has an active policy of exploiting its films that have already been released on video, promoting certain titles by lowering the retail price and creating box-sets and special editions (such as the *Taken*, *Transporter* and *Arthur* franchises).

5.1.2.1.3 Digital film distribution: VOD & SVOD

For the 2020/2021 financial year, the Company's revenue earned by making the films for which it owns the exploitation rights (as producer or distributor) available online is up at €5,386 thousand (compared to €3,694 thousand in 2019/2020 and €12,673 thousand in 2018/2019).

In 2020, the pay-VOD market in France is estimated at €1,560.3 million by the CNC and AQOA, an increase of 41.5% compared to 2019. Since 2017 revenue from subscription VOD (SVOD) has been higher than revenue from pay-per-view VOD.

In 2020, SVOD captured 83.5% of the VOD market (78.2% in 2019).

Thus, in 2020, CNC estimated the market for video-on-demand subscription (SVOD) at €1,302.6 million. It increased by 51.0% compared to 2019. The French market is dominated by the American service Netflix despite strong competition from Amazon Prime Video and Disney+, which entered the French market in April 2020. *Source: CNC – Bilan 2020*

The various prospective studies on this topic foresee rapid growth for this activity in the years to

come, particularly with the recent arrival of the Apple and Disney (and soon Warner) SVOD platforms in France. These projections fit more broadly into a technological movement in which distribution channels are multiplying, while download capacities and speeds increase, fueling user demand for cinematographic and audiovisual content.

Accordingly, EuropaCorp, as editor of attractive content, holds a favorable position and seeks to exploit these potential growth relays.

At the moment, a large portion of the films in EuropaCorp's catalog are still being exploited in France by all the VOD players (internet service providers and other key companies such as Netflix or Amazon Prime Video).

5.1.2.1.4 Sale of television broadcasting rights

Television is an important distribution channel for all films produced by EuropaCorp and represents a significant component of its financial strategy for pre-financing its productions. The broadcasting rights for each film produced are sold to one or more French television channels (usually one or two pay channels and one free channel) for a predetermined number of viewings, in principle at the production stage of the film, sometimes after its release in theaters. As part of its pre-financing strategy, EuropaCorp strives to sell its productions at the film's production stage. It is therefore the Group's practice to initiate contacts with the television channels starting with the development phase of the film and take into account the response of the channels to the project as part of its process to decide whether to shoot the film. For example, *Anna*, released in the 2019/2020 financial year, for which EuropaCorp was the executive producer, was sold in advance to television channels. Channels that have acquired television broadcasting rights during the pre-sale period are generally associated with the promotion of the film during its theatrical release.

Television channels generally negotiate the acquisition of rights for each film individually. Sale agreements for television broadcasting rights generally provide for a right of priority and/or preemption for subsequent sales of television broadcasting rights.

TF1 is the largest purchaser of first broadcast rights on a non-pay channel for films produced by EuropaCorp: 50 out of the 90 films for which EuropaCorp was the executive producer or co-executive producer that were released in theaters in France before March 31, 2021 were sold in advance to TF1 after negotiations for each film individually. EuropaCorp is also developing its relations with other free television channels (France 2, France 3, M6, Arte, etc.) for the acquisition of the television broadcasting rights to its films.

With regard to pay television, EuropaCorp has a privileged relationship with Canal+, which acquired exclusive first broadcast rights in France for almost all films released in theaters prior to March 31, 2021 (82 films acquired out of 90) for which EuropaCorp was the executive producer or co-executive producer.

The price of pre-sale television broadcasting rights is negotiated on the basis of the specific features of each project: budget, director and cast, genre and commercial potential of the project, etc. An additional price may be charged based on the film's success, based on box office figures. The success of a film's first unencrypted broadcast also determines the potential of its second run (see Section 5.1.2.5 of the Universal Registration Document) for rebroadcasts on television channels; the greater the success, the greater the film's EuropaCorp catalog value. The sale price for second broadcast rights is generally negotiated based on the purchase price of first broadcast rights and the audience detected during the first broadcast.

5.1.2.2 *International rights sales*

International sales rights for films consist of sales to foreign distributors of all distribution and broadcast rights for one or more films, on an exclusive basis, with delimited territories for a fixed period. The owner of the rights in a territory may usually exploit all channels (theaters, video, TV channels, etc.) for a period ranging from a few years to over 12 years. EuropaCorp directly manages the sale of exploitation rights abroad for the films it produces.

The international film sales market covers nearly 50 areas (some of which may contain several countries). In each of them, a few independent distributors co-exist and share the market with the subsidiaries of major American studios, which distribute their own productions almost exclusively. If in some countries the market does not justify the establishment of subsidiaries of those major studios, independent distributors that are leaders in their market take over film distribution for the major studios based on exclusive distribution agreements. Historically, in most countries, the Group has maintained privileged relationships with several distributors where it is not bound by any exclusive relationship. Thanks to the high level of expertise in international markets of EuropaCorp's sales teams, depending on the film, the Group selects the distributors it will target based on their interest in the type of film in question and seeks, where possible, to take advantage of the competition between local distributors in order to maximize the revenue that will result from the sale of distribution rights for each film. EuropaCorp productions generate strong interest from independent distributors because in most countries, they do not have access to the major American studio productions that are distributed by their local subsidiaries.

As early as the pre-production phase, EuropaCorp international sales teams establish a sales matrix that lists potential distributors in the 50 or so areas that are active in the rights acquisition market. EuropaCorp's ambition is to distribute its films in as many countries as possible. In accordance with the practices of the profession, a large share of sales to foreign distributors are carried out during the international film markets, the most important of which are, in chronological order, the European Film Market in Berlin (mid-February), the Cannes International Film Market (mid-May) and the American Film Market in Los Angeles (early November).

The following table shows the distribution percentages by country for international sales of EuropaCorp films for the 2018/2019, 2019/2020 and 2020/2021 financial years.

**Breakdown of EuropaCorp exports worldwide
for the 2018/2019, 2019/2020 and 2020/2021 financial years**

Territory	FY 2018/2019	FY 2019/2020	2020/2021
North America ²	72.1%	60.7%	46.8%
Western Europe	13.3%	16.5%	24.0%
<i>Spain and Italy</i>	1.9%	2.9%	1.7%
<i>Germany</i>	2.1%	1.1%	2.4%
<i>Switzerland, Belgium</i>	4.8%	5.3%	0.0%
<i>United Kingdom</i>	0.0%	1.5%	0.3%
Central and Eastern Europe	2.6%	6.6%	3.3%
Asia	7.2%	6.3%	23.4%
Rest of the world	4.8%	9.9%	2.5%
Total	100.0%	100.0%	100.0%

Sales of rights internationally, in accordance with market practices, are governed by contracts that

²Canada and US royalties, plus Lionsgate Minimum Guarantee for the film *Anna* in 2018/2019.

define the types of rights granted and for how long and the territories concerned. They also provide and govern the use of any promotional materials. EuropaCorp makes available to foreign distributors the main components of the film's marketing strategy and ensures that the promotional campaigns conducted as well as the costs attached to the film's promotion conform to contractual commitments. Most of these contracts, which are based on models that already exist in the industry, are governed by French law.

In the vast majority of cases, remuneration by EuropaCorp consists of a minimum guarantee that constitutes an advance from the distributor on the share of receipts attributed to EuropaCorp, after amortization of publishing and advertising expenses usually paid by the distributor. When a film has generated sufficient receipts in the territory in question to amortize these publishing and advertising expenses and cover the amount of the minimum guarantee received by EuropaCorp, any additional receipts are shared between EuropaCorp and the distributor and are distributed in a way which varies from contract to contract, and within the same contract depending on the distribution format (theaters, television sales, video, and VOD).

For sales of rights internationally, EuropaCorp internally monitors the tracking of receipts generated by each of the films in each of the territories to ensure the return to the Group of the negotiated percentage of receipts.

5.1.2.3 *Additional exploitation of films in the form of associated products, licenses and partnerships*

Partnership agreements and the exploitation of associated rights can currently represent effective means of promotion for films (and, more recently, television series) but more importantly, they are significant revenue sources for producers.

Over the past few years, EuropaCorp has entered into various types of partnerships, particularly with the animated film series *Arthur*, the animated film *A Monster in Paris*, and *Valerian and the City of a Thousand Planets*.

5.1.2.3.1 Agreements for associated products

In March 2016, a contract was signed with Striker, to set up and develop the global marketing of products associated with the film *Valerian and the City of a Thousand Planets*.

5.1.2.3.2 Licensing agreements

Licenses are contracts whereby the owner of a trademark awards the right of use to a company. Since the first film in the *Arthur* saga, over 50 licensing agreements have been signed with various partners.

However, licenses and associated products can only be exploited for the appropriate types of films. The associated products market is very competitive and is reserved for television programs and films with a high reputation potential that is likely to generate purchasing behaviors for sufficiently large consumer segment. Animated films are particularly well suited for associated product marketing due to their young target audience and the absence of problems related to the image rights of the main characters.

- **Promotional licensing**

Promotional licenses are agreements with brands that support both the promotion of the film and use its image to sell more products. This includes, for example, adding images from films to the packaging of food products (Lesieur, Nestlé) or even the promotional licensing agreement signed with the Ludendo Group (La Grande Récré), a specialist in the distribution of toys with over 300 points of sale. In this scenario, the sale of products covered by the license coincides with the theatrical release period

of the film. In general, these contracts result in the payment of a fixed fee for use for a specified period.

- Event licensing

This type of license responds to a new kind of consumer expectation, creating memorable experiences with popular characters from a film or cartoon and its universe of characters. These contracts are negotiated two to three years in advance and include a fixed fee for a number of years and a minimum operational budget for the creation of the attraction. As a result, the Futuroscope was chosen by EuropaCorp as the location for the 4D Invisibles attraction, which opened on December 19, 2009. More recently, Europa Park, the European leader in amusement parks, and EuropaCorp agreed on the creation of a new attraction with the theme of *Valerian and the City of a Thousand Planets*. This virtual reality attraction, launched in September 2018, follows in the footsteps of Arthur in the Kingdom of the Invisibles, the first collaborative venture between the two companies, which was inaugurated in September 2014. In 2018, Europa Park welcomed over 5.7 million visitors, the second highest visitor attraction in Europe after Disneyland Paris (9.8 million), thereby confirming the ever-growing success of this first collaboration.

- Book publishing

Historically, through its Intervista subsidiary, EuropaCorp has exploited a catalog of literary rights, some of which related to films. Since Intervista's business is now limited to the management of the catalog of previously acquired rights, the Group retains the option to use certain brands to publish books under license.

5.1.2.3.3 Partnership agreements

- Global partnerships for a EuropaCorp film

EuropaCorp has developed an original partnership offer with major brands to enable them to associate their name with the film industry, appropriate the content of a film for its own marketing campaigns, and participate in the launching of films.

Beyond the financial contribution of the partner to the financing of a film, the signing of this type of partnership enables EuropaCorp to give more visibility to a film. Accordingly, BNP Paribas and EuropaCorp signed a partnership agreement for the first part of the *Arthur* trilogy in 2005, which was renewed for the second part of the saga in 2009. A similar agreement was signed in 2015 for the film *Valerian and the City of a Thousand Planets*, enabling BNP Paribas to use the film's theme for advertising and commercial purposes, as Orange Studio and Toyota Motor Corporation have done for Lexus. The PPR group, since renamed Kering, teamed up with EuropaCorp for the *Home* project (film released in 2009). In return for a large share of the financing of the film, PPR became the official sponsor for the project, with exclusive exploitation rights to the image of the film.

- Framework partnerships with EuropaCorp not specific to a film

Some brands or industries share strong synergies with the world of film. Based on a long-term commitment, this type of partnership between a brand and EuropaCorp makes it possible to develop a close relationship, constantly identify communication opportunities for a brand and its business (by product placement in particular), and ensure a recurring financial contribution to EuropaCorp by a flat-rate annual income paid by each partner.

Accordingly, in late 2006, EuropaCorp signed a three-year partnership agreement with Volkswagen France Group for the automotive industry that allowed both groups to collaborate on the film *Taken*, *Transporter 3*, and *22 Bullets*. Similarly, in 2008, Honda France chose to partner with EuropaCorp on

the motorized two-wheelers segment for a period of three years; then Yamaha Motor France in 2013 for one year. Finally, in March 2015, EuropaCorp signed a three-year partnership contract with Toyota Motor Corporation for the Lexus brand.

- Technological partnerships with EuropaCorp

EuropaCorp is also extremely interested in innovation and cooperates with world leaders in new technologies to push the boundaries of entertainment, offer new experiences to the public, and discover powerful new communication relays.

As a result, the releases of the films in the *Arthur* saga and of *The Extraordinary Adventures of Adèle Blanc-Sec* resulted in a partnership with Dassault Systèmes, which contributed its technological expertise and enhanced the promotional campaign for the films. The Group intends to continue this policy of entering into partnerships and developing licenses to diversify its sources of funding while it finds new ways to promote its films.

5.1.2.4 *Acquisition of distribution rights and their exploitation*

In order to generate additional revenue, EuropaCorp may acquire distribution rights for French territory or other French-speaking countries for films produced outside the Group. In other cases, the company may also be entrusted with all exploitation rights for a film internationally, excluding certain geographical areas. In different scenarios, in contrast to the films it produces and for which EuropaCorp has exploitation rights for the duration of the copyright, the films that the company acquires may only be exploited for a contractually determined period on a case-by-case basis. During this period of exclusivity and within the determined territory, the company generally has all the exploitation rights for the film: distribution in theaters, video distribution, sale of TV broadcasting rights, etc. Under the distribution agreements and, generally, in exchange for the payment of a minimum guarantee amount, EuropaCorp earns commission on the gross receipts generated by the exploitation of the film.

5.1.2.5 *Exploitation of films' second runs*

As EuropaCorp produces films, it creates a film catalog that it can exploit in such a way that it generates recurring revenue in the future and whose size should be commensurate with the success experienced during the first run of films.

Potential receipts from a film during its second run (beginning after the second or third unencrypted television broadcast) depend on its success in theaters and video sales, as well as its viewer share for its first television broadcast. The revenue generated by these films during their second run, while they are, as a general rule, fully amortized, are represented mainly by the sale of television broadcasting rights, as well as by DVD or VOD sales and the sale of the exploitation rights for the films abroad, once the exclusivity period previously granted to the foreign distributor has expired.

5.1.2.6 *TV series distribution rights*

Following the acquisition of Cipango (which is now EuropaCorp Television) in April 2010, EuropaCorp has diversified its sources of revenue with the sale of TV series to French and international broadcasters. Now, the Group has focused on the production of English-language series and the sale of their rights mainly to foreign distributors, especially American ones.

English-language series can be sold in different regions, either by the Group or by a designated representative.

After their TV broadcast, the television series developed by the Group may be exploited in video format, which will potentially generate additional receipts.

During the 2020/2021 financial year, the sale of television series broadcasting rights generated revenue of €5.6 million, representing 13.6% of the Group's total revenue, compared with €6.0 million, i.e. 8.6% of revenue in the 2019/2020 financial year, corresponding for both financial years to the revenues generated by the international exploitation of the series *Taken* (royalties).

5.1.3 Complementary activities to film production and distribution

In addition to its main operations, the Group has a certain number of other activities, including recurring operations which streamline the Group's revenue.

5.1.3.1 Music publishing

EuropaCorp manages the production of the original soundtracks for its films. In addition, the Group may subsequently use these recordings as original film soundtracks, in the form of licenses granted to record companies. The work done in cooperation with the recording industry has made it possible for the original soundtracks of *Little White Lies* and *The Concert* to become gold albums. Similarly, the music video for "La Seine," performed by Vanessa Paradis and Matthieu Chedid from the film *A Monster in Paris* received the Victoires de la Musique award in 2012.

In addition, through its Orchestra subsidiary, the Group develops a publishing activity for original musical works composed for its films. Through this publishing activity, Orchestra, as a publisher of original musical works, is a member of the SACEM (French Society of Authors, Composers, and Music Publishers, which manages music rights in France). Orchestra is represented worldwide by EMI Music Publishing France. These two Group companies can therefore receive the proportional remuneration owed when their musical works are exploited.

These publishing receipts are generated naturally whenever a film is shown, such as for theatrical screenings, video, television broadcasts, online exploitation, etc., and paid for by film exploiters to the collective management companies (which then pay the third parties, including music publishers), thus allowing EuropaCorp, through its subsidiary, Orchestra, to collect additional receipts related to the exploitation of its films.

EuropaCorp sold its music publishing rights business to Sony/ATV in June 2017 and concluded a management and sub-publishing contract for future works.

5.1.3.2 Line production

The job of line producer consists of seeing to it that a film is produced on behalf of a production company. A line producer assigns teams and brings together all technical means necessary for filming in accordance with a projected budget and precise deadlines. He or she therefore acts as a service provider on behalf of a production company and invests no money in the project.

EuropaCorp once acted as a line producer during the 2007/2008 financial year, for the film *Hitman* produced by 20th Century Fox, for which EuropaCorp received €16,987 thousand.

The reform of the international tax credit in January 2016 aimed at encouraging foreign producers to choose France and French technical and artistic expertise to produce their films and the exploitation of Studios de Paris – one of the best-equipped film sets in Europe – could encourage the development of this activity in the future.

Accordingly, EuropaCorp once again took on the role of line producer for the film *Kursk* released in

France in November 2018.

5.1.4 New products and services

None.

5.2 Main markets

5.2.1 Film entertainment market

2020 was marked by an epidemic that affected the whole world and all industry sectors. According to INSEE data, the French film industry saw its revenue decrease by 33% in 2020 and lose €1.5 billion in revenue. Indeed, the level of admissions of French theaters reached, in 2020, that of the year 1917, i.e. 65 million admissions, a dark year during the tragedy of the First World War.

The situation is even worse internationally, with revenue generated by cinema admissions worldwide decreasing by 72% to reach \$12.0 billion compared to \$42.2 billion in 2019 which was the eleventh consecutive year of increase.

The historical comparison between national box offices is difficult this year given the specific policies followed in each country regarding the closure of theaters. That being said, for the first time the largest market was China with \$3 billion ahead of the United States/Canada with \$2.2 billion (-80%), followed by Japan and France with \$1.3 billion and \$0.5 billion, respectively. With 65.2 million tickets sold in mainland France in 2020, ticket sales in theaters decreased by 69.4% compared to 2019. In 2020, cinema attendance in France remained the highest in the European Union.

Source: MPAA 2020, U.S. Theatrical Market Statistics; CNC 2020 Review

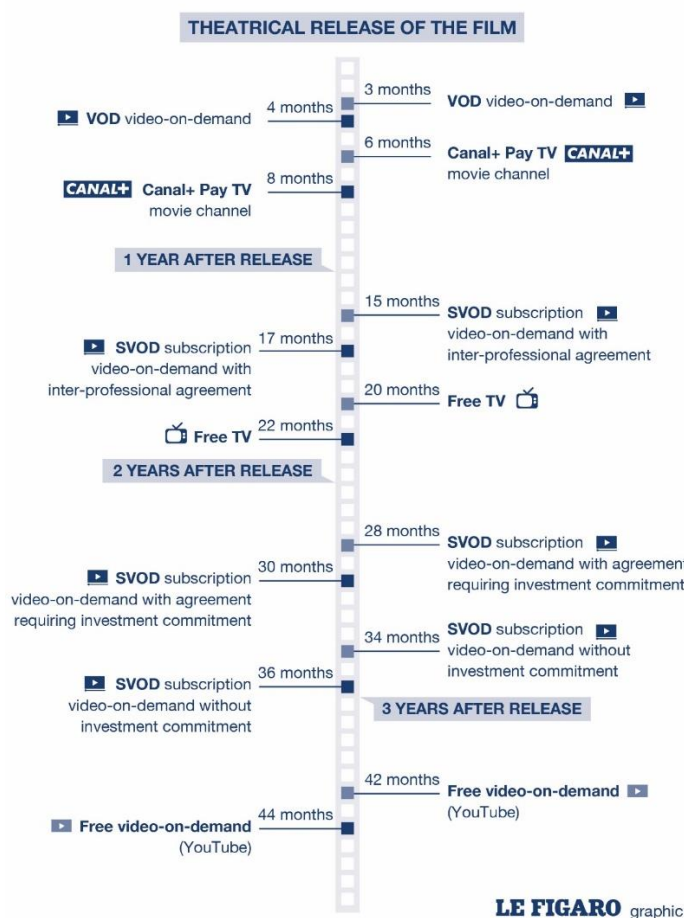
Under the impetus of the European Directive of June 30, 1997 on the timing of media releases, and with the proliferation of film distribution methods (cinema, television, internet, video, etc.), many countries have seen public authorities and professionals in the sector gradually setting up a mixed system of private agreements and public regulation designed to organize the order in which a film is broadcast on each type of medium, reserving exclusive windows for each of them that make it possible to optimize the profitability of a film. These systems remain in a state of flux following the success of SVOD platforms: PSVOD (Premium SVOD) authorization in the United Kingdom, a new agreement on the schedule of releases in France signed on December 21, 2018. This agreement modifies the agreement of June 2009 by somewhat relaxing the broadcast windows (see below graphic on the new schedule for releases - Source: *Le Figaro*).

New media release schedule

Time elapsed between each broadcasting window in number of months following theatrical release

- For a film with more than 100,000 admissions
- For a film with fewer than 100,000 admissions

Threshold: cumulative maximum of 100,000 admissions at the end of the 4th week of exploitation



5.2.2 Film production in France and worldwide

The suspension of filming at the start of the pandemic crisis and the uncertainties related to the resumption had an impact on the production of French feature films in 2020. There were 239 films approved by the CNC in 2020, i.e. 62 films less than in 2019.

In North America, in 2020 the number of films released decreased to 338, versus 987 films in 2019 (-66%). In 2020, three 3D films were released in theaters in the United States, i.e. 30 films less than in the previous year, with two of these films being ranked in the box office Top 10.

The number of films entered into production also decreased considerably, with 447 films compared to 814 the previous year, a decrease of 45%.

Source: MPAA 2020, U.S. Theatrical Market Statistics.

Number of films approved by the CNC – France

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
French films (1)	206	209	208	203	234	221	222	237	240	190
of which 100% French films	151	150	153	152	158	159	177	182	185	151
of which coproduction films	55	59	55	51	76	62	45	55	55	39
Predominantly foreign films (2)	65	70	61	55	66	62	78	63	61	49
Total approved films (1) + (2)	271	279	269	258	300	283	300	300	301	239

Source: CNC – 2020 Review

In France, 239 feature-length films obtained CNC approval in 2020, i.e. a decrease of 21% compared to the previous year.

In 2020, the average budget for French initiative films stood at €3.4 million (compared to €3.76 million in 2019), a decrease of 10% and the lowest level in more than 25 years. Since 2016, the average budget has been trending downward.

Source: CNC – 2020 Review

Growth of investment in films approved³ by the CNC

Total investments (€ million)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
French films	1,127.6	1,065.6	1,019.2	799.2	1,023.8	1,208.8	1,088.9	956.9	903.4	643.7
Predominantly foreign films	260.8	276.7	234.7	195.0	200.4	179.7	239.0	168.6	213.2	140.3
Total	1,388.4	1,342.3	1,254.9	994.1	1,224.2	1,388.5	1,327.9	1,125.5	1,116.6	783.9

Source: CNC – Bilan 2020

In 2020, investments in approved films decreased by 30% to €783.9 million.

5.2.3 International film sales market

International box office receipts from French films

Global box office (excluding France) of the 20 best French films from January 1, 2000 to June 21, 2020

INTERNATIONAL TOP 20 MAJORITY FRENCH FILMS SINCE 2000			
Rank	Film	Cumulative admissions as of 06/21/2020	Cumulative receipts as of 06/21/2020
1	<i>Lucy*</i>	56,071,702	€314,117,681
2	<i>Taken 2*</i>	47,684,982	€272,927,705
3	<i>Taken 3*</i>	43,981,143	€263,272,540
4	<i>The Intouchables</i>	31,866,059	€220,063,807
5	<i>Valerian and the City of a Thousand Planets*</i>	30,572,252	€169,777,550
6	<i>Taken*</i>	30,163,275	€164,121,585
7	<i>Amélie</i>	22,373,833	€133,474,268
8	<i>The Pianist</i>	17,869,280	€99,210,482
9	<i>March of the Penguins</i>	19,964,375	€96,632,536
10	<i>The Artist</i>	13,467,361	€86,129,187
11	<i>Transporter 3*</i>	16,773,600	€81,088,842
12	<i>Le Petit Prince</i>	18,245,246	€79,777,105
13	<i>Kiss of the Dragon*</i>	12,272,337	€71,475,839
14	<i>Serial (Bad) Weddings</i>	9,848,856	€68,411,893
15	<i>Transporter - Refueled*</i>	12,896,651	€65,827,323
16	<i>Transporter 2*</i>	12,714,103	€62,747,061
17	<i>Malavita (The Family)*</i>	10,437,166	€56,399,270
18	<i>Colombiana*</i>	9,560,925	€51,022,438
19	<i>Arthur & the Invisibles*</i>	10,201,989	€49,842,656
20	<i>Asterix & Obelix: Mission Cleopatra</i>	10,062,166	€46,562,468

*EuropaCorp Productions

Source: Unifrance – June 2020

³Films that have received investment approval or production approval from the CNC for the given year.

In France, the film export industry is relatively concentrated. Two main types of operator can be identified: subsidiaries of integrated media groups with a large catalog of French or foreign films, either produced or acquired, on the one hand; and independent distribution companies with a limited number of titles, on the other hand. EuropaCorp, which holds the exploitation rights to the films it produces, sells international exploitation rights directly to local distributors without going through a specialized distribution company.

In a global context of cinema closures due to the Covid-19 pandemic, the number of admissions to French films abroad decreased markedly in 2020 to 13.7 million admissions compared to 40.5 million in 2019 (-69.8%) for revenue of €86.6 million (compared to €244.4 million in 2019). The level of admissions recorded in 2020 depends largely on the number of territories in which the films are released. In 2019, the French film with the most admissions internationally, *Anna* by EuropaCorp, had been released in 85 different territories. In 2020, *Bigfoot Family* registered admissions in 28 territories, i.e. three times less.

The number of French films released in international theaters decreased by half in 2020, with 1,398 releases in 2020 (unseen or re-released) compared to 2,836 in 2019 (-50.7%).

The average for the last ten years is 73 million admissions.

For the fifth year running, Western Europe remains the biggest export market for French films. With 6.96 million admissions in 2020, the region captured more than half (50.9%) of French cinema admissions abroad.

Central and Eastern Europe remained the second largest export region for French cinema in 2020, with 2.81 million admissions.

In 2020, Asia once again became the third-largest host region for French cinema with 1.58 million admissions, i.e. a market share of 11.6%. The region is mainly driven by markets that experienced the most limited theater closures in 2020, such as South Korea, which has become the leading region in Asia in terms of number of admissions (9th worldwide).

Each of the four other regions (Latin America, North America, Africa and the Middle East, Oceania) recorded less than one million admissions in 2020.

Source: CNC – Bilan 2020

5.2.4 Theatrical distribution market

5.2.4.1 International theatrical distribution market

In 2020, according to the European Audiovisual Observatory, admissions to theaters in the European Union and the United Kingdom decreased by 70.7% to reach 294.7 million admissions due to the health crisis and theater closures that were imposed for several months in almost all European countries. As a reminder, admissions to European theaters exceeded one billion admissions in 2019 for the first time since 2004. Admissions decreased in very similar proportions in all European markets, including Germany (-67.9%), France (-69.4%), Italy (-71.2%), the United Kingdom (-75.0%) and Spain (-79.4%). France remains the largest market in the European Union with 65.2 million admissions.

In Russia, the number of admissions decreased by 59.1% to 88.4 million admissions in 2020.

For the first time, China became the world's largest market in terms of box office receipts, amounting to \$3.1 billion (-68.3%), for a total of 548 million admissions.

North America recorded a drop of 80.6% in its box office to \$0.24 billion, for a total of 240 million admissions.

Source: CNC – Bilan 2020

At the global level, the revenue generated by cinema admissions worldwide saw an overall decrease

for the first time in 12 years, reaching in 2020 \$12.0 billion compared to a record high of \$42.2 billion in 2019, a decrease of 72%.

S source: MPAA 2020, U.S. Theatrical Market Statistics.

Number of annual admissions (in millions, comparative data) Source: CNC - Bilan 2020

Year	North America	China	France	UK	Germany	Italy	Spain	Japan	Russia
2011	1,280	370	217	172	130	101	98	145	160
2012	1,360	470	204	173	135	100	94	155	157
2013	1,340	631	194	166	130	107	79	156	177
2014	1,270	830	209	158	122	98	88	161	176
2015	1,320	1,260	205	172	139	107	95	167	174
2016	1,320	1,370	213	168	121	113	102	180	195
2017	1,240	1,620	209	171	122	99	100	175	212
2018	1,300	1,720	201	177	105	93	99	169	202
2019	1,240	1,730	213	176	119	105	104	195	216
2020	240	548	65	44	38	30	22	106	88

According to the available preliminary information, the receipts generated by theaters in 2019 were stable or up in almost all European Union markets for which data is available, some 21 countries.

5.2.4.2 The French theatrical distribution market

With 65.2 million tickets sold in mainland France in 2020, ticket sales in theaters decreased by 69.4% compared to 2019 (213.0 million). The year 2020 was profoundly marked by the health crisis leading to the closure of cultural venues, and therefore of cinemas, for almost half of the year (a total of 162 days from March 14 to June 21 and from October 30 to December 31), and during periods when attendance is usually particularly dynamic such as the Christmas and New Year holidays. In addition, the constraints imposed by the barrier gestures, such as the number of spectators, and the fear of the French to go to public places largely affected the results at the reopening.

In 2020, cinema box office receipts amounted to €432.6 million (-70.1%), i.e. €1,016.1 million less than in 2019. Revenue excluding taxes (excluding VAT and TSA) amounted to €363.4 million in 2020.

Admissions and box office receipts in France*

	Admissions (in millions)	Box office receipts (in millions of euros)	Average receipt per admission (in euros)
2011	217.2	1,374.7	6.33
2012	203.6	1,306.5	6.42
2013	193.7	1,250.9	6.46
2014	209.1	1,333.3	6.38
2015	205.4	1,331.7	6.48
2016	213.2	1,388.6	6.51
2017	209.4	1,380.6	6.59
2018	201.2	1,336.9	6.64
2019	213.0	1,447.4	6.79
2020**	65.2	432.6	6.63

* To provide a more detailed analysis of theater admissions, three different film categories were used for the first time in 2013: feature-length films, short films and non-film (recordings of live events and audiovisual programs); all data have been updated since 2004 according to this new distinction.

** Provisional data

In 2020, the key players in the theater distribution market in France were as follows (Source: CNC – Bilan 2020):

The top ten distributors in 2020

	Market share ¹ (%)	Films under exploitation	Of which premieres
1 The Walt Disney Company	10.9	149	5
2 Warner Bros.	10.4	247	9
3 Universal Pictures International	9.8	170	11
4 SND	7.0	56	9
5 UGC Distribution	5.7	56	8
6 StudioCanal	5.4	59	7
7 Pathé Films	4.4	127	7
8 Sony Pictures Home Entertainment	4.4	21	6
9 Gaumont	4.4	183	6
10 Metropolitan FilmExport	3.8	97	9

¹In terms of distributor collections

5.2.5 The exploitation market

5.2.5.1 Exploitation in France

There were 6,127 theaters operating in France in 2020, i.e. 13 more than in 2019 (+0.2%). This balance resulted from the opening or reopening of 92 screens and the temporary or permanent closure of 79 screens.

Given the change in admissions in 2020 due to the health crisis (-69.4% compared to 2019), the average number of admissions per establishment declined to reach 31,955 admissions, i.e. -69.3% compared to 2019. The average number of admissions per screen decreased to 10,645 admissions (-69.4%). On average, each multiplex recorded 160,335 admissions in 2020 (552,563 in 2019, -71.0%), a greater decrease than for theaters as a whole.

In 2020, 233 multiplexes (movie theaters with eight screens or more) were operational in France of which six opened in the year. The number of creations is lower than the average of the last ten years (six openings on average each year). One multiplex closes permanently, the UGC Toulouse (July 2019), and one multiplex closes a screen. In 2020, 11.4% of French theaters were multiplexes. They represented 43.7% of screens and 45.6% of seats. The majority of moviegoers attend multiplexes; 57.3% of admissions in 2020 involved such establishments (60.2% in 2019). In total, their admission were down by 70.9% compared to 2019, compared with a decrease of 69.4% for all theaters. On average, a multiplex had 11 screens and 2,227 seats in 2020.

Source: CNC – Bilan 2020

5.2.5.2 International exploitation

According to information compiled by the International Union of Cinemas, France is one of the European countries that closed its theaters the longest in 2020 with a total of 162 days, behind Belgium and Italy. While almost all European Union countries closed their theaters from the second half of March, reopening took place between mid-May and the beginning of July. In addition, most countries imposed a second closure from the end of October. Finally, in several decentralized countries, the dates vary significantly depending on the region. In all countries, however, the reopening period was accompanied by strict instructions concerning the movement of spectators within the establishments, the spacing of screenings, maximum gauges and sometimes curfew times.

In Europe, based on the data available, the number of theaters decreased in 2020 (compared with an upward trend in recent years). In Germany there were 1,728 theaters (1,734 in 2019) and 4,926 operational screens (-35 screens).

In 2020, the number of Russian cinema theaters decreased with a reduction of 130 screens, reaching a total of 5,450 screens.

The number of screens in the United States decreased in 2020 to 40,998 screens compared to 41,172 screens in 2019.

In China, despite the crisis, theaters continued to grow by an additional 5,794 screens (+8.3%). However, this growth slowed in 2020: the number of screens increased by 16.2% in 2019. As such, the total number of screens in China was 75,581, the highest number in the world ahead of the United States (40,998 screens in 2020).

Source: CNC – Bilan 2020

5.2.6 The market for sales of television rights

5.2.6.1 TV broadcasting in France

Regarding the channel audience, the individual viewing time of television in 2020 increased sharply compared to 2019 due to the lockdown periods: the French spent an average of 3 hours and 54 minutes per day on television viewing, an increase of 24 minutes.

Whereas the so-called “older” terrestrial channels (TF1, France 2, France 3, Canal+, France 5, M6 and Arte) had already experienced an initial period in which viewing figures were eroded due to the expansion of pay-television, the introduction of new channels on free TNT from 2005 strengthened this trend.

As such, the aggregate audience share of “older” channels decreased from 69.5% in 2010 to 59.3% in 2020, a decrease of 10.2 points. The audience share of pay and local channels also declined, from 12.2% in 2010 to 9.6% in 2020 (a decrease of 1.9 points).

Over the period, TNT 2005’s channels seem to have reached a plateau in 2012 with an audience share of 22%. They have since stabilized with an audience share of 21% (21.4% in 2020).

Over the period, TNT 2012’s channels sharply increased their audience share, from 2.3% in 2013 to 9.7% in 2020.

Source: CSA – 2021 Channel guide

5.2.6.2 Broadcasting of films on television

Television represents a significant share of the receipts generated by a film. French film producers enjoy a favorable regulatory environment, since French television channels are subject to minimum investment obligations before the first day of shooting on European and original French-language films, as well as minimum broadcasting quotas for these types of films.

After four consecutive years of decline, the number of films on television (free national channels and Canal+) rose in 2020 to 2,433 different films broadcast (+111 titles compared to 2019, i.e. +4.8%). This increase is to be compared with the health crisis where some chains have changed their offers, especially during the first lockdown.

In total, 27.7% of the films broadcast on television (free French channels and Canal+) were new (29.5% in 2019), i.e. scheduled for the first time on free-to-air TV. All channels combined, the share of French unreleased films stood at 46.2% and that of American films at 28.0%.

Source: CNC – Bilan 2020

5.2.6.3 Broadcasting of TV series

In 2020, the Covid-19 epidemic had an impact on the drama programming of television channels (reduction in the offering, decline in new releases and increase in reruns), in particular due to the sharp decline in advertising revenue, which has led some channels to make significant savings on their grid costs. Dramas are the leading genre of TV shows in terms of offerings and television viewing figures.

In 2020, the historical national channels (TF1, France 2, France 3, Canal+, M6 and Arte) devoted 787 evenings to drama (-27 evenings compared to 2019, replaced by cinema), i.e. 35.8% of all of their evenings and the lowest level since 2010. In terms of audiences, French drama is doing much better than American drama. In 2020, French drama recorded 95 of the top 100 TV drama audiences for the day (85 out of 100 in 2019), a result that had not been achieved for at least 15 years.

Source: CNC - Bilan 2020

5.2.7 The market for film distribution on video

Until 2004, the global market for physical video media recorded strong growth across the board as a result of DVD sales. After three consecutive years of decline in 2005, 2006 and 2007, the emergence of Blu-ray in 2008 helped to stabilize the French market between 2008 and 2010.

However, there has been a new decrease in revenue since 2011, as shown in the table below:

**Changes in revenue from physical video by content in France
(excl. VAT in millions of euros)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	Δ20/19
Films	691.9	560.1	479.4	420.8	351.8	339.7	288.3	268.1	191.8	-28.5%
Non-film	380.7	328.4	290.3	250.0	214.3	172.9	142.6	124.2	93.7	-24.4%
Promo. activities	43.4	40.3	37.3	36.7	29.0	24.0	17.7	14.7	10.7	-27.0%
Total	1,116.0	929.1	807.0	707.5	595.1	536.6	448.6	406.9	296.2	-27.2%

Three main reasons explain this decline in the market: changes in utilization (video watching as catch-up TV or video on demand particularly by subscription), the drop in the prices charged, particularly for new releases, and piracy.

In 2020, sales (including all taxes) of DVD and Blu-ray discs were down by 27.2% and amounted to €296.2 million, a much greater decrease than last year. Household spending on physical video formats decreased for the tenth consecutive year. In ten years, revenues from the physical video market have been quartered. They account for 16.0% of the global video market in 2020 (physical and VOD/SVOD), compared to 27.9% in 2019. In ten years, receipts from the physical video market have more than halved (-70.6%).

Source: CNC - Bilan 2020

5.2.8 VOD market (including SVOD) and new broadcasting channels

In 2020, the pay VOD market in France was estimated at €1,560.3 million by the CNC and AQOA, up by 41.5% compared to 2019. Since 2017 revenue from subscription VOD (SVOD) has been higher than revenue from pay-per-view VOD. In 2020, SVOD captured 83.5% of the VOD market (78.2% in 2019). In parallel, the market share of rentals was 10.5% (14.5% in 2019) and the market share of pay-per-view was 6.1% (7.3% in 2019).

Source: CNC - Bilan 2020

The French Act of June 12, 2009 promoting the dissemination and protection of creative content on the internet, known as the "Hadopi Act", has resulted in a comprehensive overhaul of film release schedules: the exploitation period of films on VOD has for example been reduced from 33 weeks to 16 weeks after their release in French theaters. This makes the legal supply of films on VOD more attractive and contributes to the development of these new services. The new agreement regarding

the media release schedule signed on December 21, 2018, does not modify this 4-month period; however, it can be lowered to 3 months if a film had fewer than 100,000 admissions.

5.3 Company history and major events in the development of the Company and Group

Created by Luc Besson in 1992 under the name Leeloo Productions, the Company really began producing and co-producing feature films in 1999, with the release the following year of *Taxi 2* and *The Dancer*.

Alongside its production business, the company began selling television broadcasting rights and international rights. In 2001 it set up several subsidiaries enabling it to extend its involvement during the various stages of exploitation of the films it produces, from theatrical distribution in France (EuropaCorp Distribution) to video publishing and distribution, also in France (EuropaCorp Home Entertainment and GIE Fox Pathé Europa, an economic interest group of which the Group was a member).

In 2002, EuropaCorp bought the companies Intervista and Dog Productions from Front Line, specializing in the publishing of film-related books and trailer production respectively.

In April 2002, the company also acquired a 35% stake in EuropaCorp Japan, the Japanese distribution company created in partnership with the country's leading media corporations, which holds exclusive distribution rights in Japan to films produced by EuropaCorp. EuropaCorp increased its stake in EuropaCorp Japan from 35% to 45% in the 2007/2008 financial year, buying the shares at face value for around €65,000. On April 1, 2010, EuropaCorp bought the 55% stake still held by its partners for the price of ¥1 per share, or ¥1,100 (€10). This company was dissolved on February 29, 2012.

As part of its film production business, EuropaCorp has developed an important music publishing business to accompany the films it produces, which has gradually become an independent activity in its own right. Therefore, in 2005, to increase the profitability of this activity, the company transferred its music publishing and exploitation of musical works to a new subsidiary, EuropaCorp Music Publishing, specially created for this purpose. The catalog included around 1,500 original works, exploited by collecting societies all over the world (SACEM in France, and in partnership with Universal Music for the rest of the world). In June 2017, EuropaCorp Group sold its catalog of music copyrights to Sony/ATV Group, the world number one music publishing company, and signed an agreement for Sony/ATV to administer its music royalties for future film and television titles.

In December 2006, the Group released its first animated film, *Arthur & the Invisibles*, which sold more than 6.3 million tickets at French theaters. *Arthur & the Invisibles* was also an opportunity for the Group to develop multiple partnerships and to license related merchandise to maximize the film's receipts, including a partnership with BNP Paribas for nearly three years and with Orange with the exploitation of mini-sessions of the film on the mobile phones of Orange customers. The Group has since released the second and third installments of the franchise, *Arthur and the Revenge of Maltazard* and *Arthur and the War of the Two Worlds*, which sold 3.9 and 3.1 million tickets at French theaters respectively, although international sales significantly underperformed.

On May 16, 2007, the company completed the acquisition of all shares comprising the share capital of the company Ydéo, which specializes in consulting and creative marketing and with which EuropaCorp had enjoyed a close business relationship for several years. The company paid €676 thousand for 100% of the capital of Ydéo, corresponding to its net book value as of March 31, 2007. As a result, the Group had the expertise of a skilled and experienced player in the film marketing industry.

On July 6, 2007, EuropaCorp shares were admitted to trading on the Euronext Paris Compartment B regulated market. At the time of this initial public offering, 4,910,828 new shares of the Company were issued and subscribed by the public and institutional investors for a total amount of €76,117,834. Following this capital increase, the total number of shares comprising the share capital of EuropaCorp amounted to 20,310,828 shares, the free float representing 22.91 % of the capital. Since January 21, 2009, following the new system introduced by Euronext Paris, EuropaCorp's shares have been traded on Compartment C of the Euronext Paris market, owned by NYSE Euronext.

On February 26, 2013, EuropaCorp announced the success of the capital increase with preferential subscription rights for shareholders launched on February 4, 2013. The capital increase, for an initial amount of €20.2 million and a final amount of €23.2 million following the exercise of the extension clause, was fully subscribed. The total demand for this capital increase amounted to around €28.8 million (including the Caisse des Dépôts et Consignations subscription), equivalent to a subscription rate of around 143%.

Alongside this capital increase in cash, in February 2013 EuropaCorp performed a capital increase by contribution in kind, designed to group together within EuropaCorp the Group's synergistic activities, i.e. the brand entertainment and post-production activities carried out by Blue Advertainment and Digital Factory, respectively. The capital increase in kind covered 100% of the shares of Blue Advertainment, which had previously received all post-production activities of Digital Factory as a contribution from Front Line.

On February 28, 2008, EuropaCorp completed the acquisition of the company Roissy Films. This acquisition covered 100% of the capital and voting rights for a price of €27.22 million plus the amount of the company's net cash at December 31, 2007. Roissy Films managed a catalog of around 500 titles as owner or agent, including 80 award-winning films. The entire branch of film exploitation activity for Roissy Films was transferred to CDG, and in turn, the entirety of CDG's shares was sold to Gaumont on March 22, 2019.

On January 30, 2009, the film *Taken* by Pierre Morel, produced and co-written by Luc Besson, was released in theaters in the United States and topped the American box office. Generating \$227 million in revenue worldwide, including \$145 million in the United States, *Taken* became the second-highest grossing international French film after *The Fifth Element*, directed by Luc Besson (\$264 million in worldwide takings). *Taken 2*, the second film in the franchise, released in October 2012, made international box office receipts of \$376 million, helping to make 2012 a record year in tickets sold for French films abroad and making EuropaCorp France's leading exporter. *Taken 3*, also produced and co-written by Luc Besson, was released in theaters in January 2015, and brought in almost \$326 million in international receipts. Worldwide box office receipts from the three installments of the franchise total \$928 million to date.

Source: www.boxofficemojo.com

In June 2009, EuropaCorp confirmed its participation in the La Cité du Cinéma project in Saint-Denis, a Paris suburb. Since August 2009, EuropaCorp has partnered with Euro Media Group, Quinta Communications and Front Line in the property investment company SCI Les Studios de Paris, through a property lease signed with a pool of leasing companies for a group of nine movie shooting sets at the La Cité du Cinéma site ranging in size from 600 to 2,200 square meters each, sold by EuropaCorp Studios.

EuropaCorp is a 40% shareholder of SCI Les Studios de Paris, whose studios were constructed at a cost of €30.2 million excluding tax. In addition to investments in the Company's share capital, current account funds were provided, in particular to finance the construction of the studios. As of March 31, 2019, capital investments and contributions to associates' current accounts totaled €10.3 million.

In addition, EuropaCorp has joined forces with the same partners – Euro Media Group, Quinta Communications and Front Line – in the Société d’exploitation des Studios de Paris, managed by Euro Media Group, to run the studios following their delivery in spring 2012. EuropaCorp has a minority stake of 40% in this company, which has share capital of €10,000 (see Sections 6.2 and 17.1 of the Universal Registration Document for further information). On May 17, 2017, a decision was made to transfer all of the assets of the company to SCI Les Studios de Paris through a dissolution and merger. That transaction was finalized on June 30, 2017 and its effect is retroactive to January 1, 2017.

EuropaCorp has also signed a lease with La Nef Lumière, owner of the business park where the La Cité du Cinéma offices are located and funded by the Caisse des Dépôts et Consignations and Vinci Immobilier, as part of the relocation of its registered office. By signing this lease, the company now has offices that are twice as large as 137 rue du Faubourg Saint-Honoré, for a substantially equivalent rent, given that Front Line has given the company a firm commitment to rent part of the premises leased by the company. EuropaCorp can now bring together in one place all its permanent staff as well as the film crew assembled for each film. This lease has been partially terminated as part of the implementation of the safeguard plan (see Section 17.1).

In August 2012, the Group moved from 137 rue du Faubourg Saint-Honoré in Paris to La Cité du Cinéma at 20 rue Ampère in Saint-Denis.

On April 15, 2010, EuropaCorp acquired, in cash, 75% of the capital of audiovisual drama producer Cipango, with a commitment to buy the remaining 25%, exercisable within a maximum of four years. On June 27, 2014, in accordance with the *“Cipango sale and acquisition of shares agreement”* signed on April 15, 2010, EuropaCorp confirmed to minority shareholders its desire to exercise its purchase option to acquire the 25% of EuropaCorp Television that it did not yet own. To this end, EuropaCorp acquired these shares on July 30, 2014. This company is now wholly owned by EuropaCorp.

On January 1, 2011, Cipango changed its name to EuropaCorp Television. EuropaCorp Television produces television dramas for the French and international markets.

On January 15, 2018, EuropaCorp sold business assets related to French television production activity for €11 million. Because the sale does not involve the American television production, the Group will continue to produce and distribute English-language TV series with strong international potential, such as *Taken*.

On July 26, 2011, the Group signed an off-plan lease for the development and management of a multiplex cinema within the Aéroville shopping mall near Roissy airport, which opened on October 16, 2013. Management of the 12-theater multiplex, with almost 2,400 seats, began on November 15, 2013. On December 14, 2016, the Company sold its multiplex activity, which consists of the Aéroville multiplex in Tremblay-en-France and the La Joliette multiplex project in Marseille, to Cinémas Gaumont-Pathé at a price of approximately €21 million.

On February 20, 2014, Relativity Media and EuropaCorp set up a distribution joint venture in the United States, 50% owned by each partner. This platform gave EuropaCorp and Relativity Media optimized access to the U.S. distribution networks that is best suited to their respective production businesses.

On December 14, 2016, as the Relativity group had defaulted on the payment of its share of the general expenses for the shared distribution platform, EuropaCorp took over total control of the operating budget for the RED joint distribution platform, which is now called EuropaCorp Distribution LLC.

This intangible asset, which represents an entry fee, with an unspecified life is, by definition, non-

depreciable and is tested annually. During the 2018/2019 financial year, indications of impairment losses were identified requiring the implementation of an impairment test which led to the recognition of a €60 million impairment, in addition to the €13 million recognized during the preceding financial year. In view of this impairment, this intangible asset is now entirely impaired as of March 31, 2019.

On May 16, 2014, EuropaCorp signed with JP Morgan, SunTrust Bank and OneWest Bank a commitment letter by which each institution concerned confirmed to the Company its commitment to participate in a new credit line in the amount of \$450 million for a period of five years, to replace the existing loan. Pursuant to this commitment letter, on October 22, 2014, the following were concluded: (i) a revolving principal credit line enabling it to raise finance against contracts, for up to \$400 million, made up of a line of around €178 million and a line of \$160 million, which comes with an accordion clause for \$150 million; and (ii) a secondary credit line for \$50 million. These credit lines have been amended, as stated in Section 8 of this Universal Registration Document.

The credit line was arranged by JP Morgan as Agent and Senior Bookrunner, SunTrust and OneWest Bank as Associate Bookrunners and co-arrangers. The principal credit line has been syndicated with major banks, notably the French banks Natixis, Banque Palatine, Arkea Banque Entreprises et Institutionnels, and BRED Banque Populaire.

This facility is used to finance EuropaCorp's production of new English-language films, as well as the marketing and distribution costs associated with these productions, particularly following the set-up of the RED services platform, via which EuropaCorp Films USA Inc., a wholly owned subsidiary of EuropaCorp, distributes the films in the United States.

The principal credit line was to be repaid after a period of five years, i.e. by October 21, 2019. The secondary credit line was to be repaid after a period of five years and six months, i.e. by April 21, 2020.

As security for these credit lines, EuropaCorp and some of its subsidiaries (Blue Advertainment, Digital Factory, EuropaCorp Distribution, EuropaCorp Home Entertainment, EuropaCorp Music Publishing, Roissy Films and Ydéo) granted first-line and second-line guarantees on all of their assets, and notably the pledge of financed assets, as specified in the Notes to the consolidated financial statements (Appendix 1), to the exclusion of any other guarantee.

In the summer of 2014, the film *Lucy*, directed by Luc Besson, produced by EuropaCorp and distributed worldwide (excluding France, China and Belgium) by Universal, generated almost \$463 million in box office receipts worldwide, making it French cinema's biggest international success story.

On December 31, 2014, EuropaCorp, EuropaCorp Films USA Inc., and Vine Investment Advisors LP, acting as an Agent for various investors, entered into a contract entitled Amended and Restated Secured Participation Agreement under which EuropaCorp grants a participation interest of 15% in the revenue generated by the films distributed by EuropaCorp Films USA Inc. with the support of Relativity EuropaCorp Distribution LLC (RED) services in the United States, up to the maximum participation amount of \$100 million (see Section 5.7 below for further details).

On May 20, 2015, EuropaCorp announced a five-year extension to its ongoing production agreement with Fundamental Films. Therefore, the leading Chinese company in film production and distribution will continue to distribute EuropaCorp's films on the Chinese market, in addition to co-producing a certain number of future films. This agreement came with the confirmation that Fundamental Films would invest around \$50 million in the adaptation of the *Valerian* comics and would be responsible for its distribution in China. The two groups began their partnership in 2012,

with an exclusive three-year production agreement, which in recent years has enabled the films *Brick Mansions*, *Lucy*, and *Taken 3* to be launched in China.

Shooting for *Valerian and the City of a Thousand Planets* took place from January to June 2016 at La Cité du Cinéma.

On November 21, 2016, FF Motion Invest Co., Ltd, a wholly owned subsidiary of the Fundamental Films group, subscribed for new shares issued by EuropaCorp SA as part of the reserved capital increase in the amount of €60 million.

The overall aim of this capital increase, carried out with a market premium of some 38.5% compared to the average stock market price over the 20 trading days prior to the protocol being signed, was to increase the Group's equity under conditions favorable to EuropaCorp shareholders, particularly minority shareholders.

This reserved capital increase was the main component of an overall strategy to increase the Group's funding capacity by a total of around €108 million. This operation had three facets:

- a €60 million capital increase;
- sale of the Multiplexes activity (Aéroville multiplex and La Joliette multiplex project in Marseille) to Cinémas Gaumont-Pathé for a total of around €21 million; and
- extension to the subordinate credit facility of around \$30 million (around €27 million, see Section 8.2.2 in particular).

In the summer of 2017, the film *Valerian and the City of a Thousand Planets*, directed by Luc Besson, was released in cinemas around the world and generated a total of \$226 million in box office receipts worldwide. The film has become the fifth most successful French film abroad (*Lucy*, *Taken 2* and *Taken 3*, also produced by the Group, are in the top three spots in the ranking).

Sources: *Box Office Mojo*; *Unifrance* - May 2019

On April 3, 2018, the Regional directorate for companies, competition, consumption, work and employment (DIRECCTE) approved the safeguard plan presented by EuropaCorp, which provided for the elimination of 22 positions in France as part of the Group's strategic refocusing on its core business activities.

A distribution partnership was signed with Pathé Films for France in December 2018, involving three films per year for a period of three years. This partnership, relating to films produced or co-produced by EuropaCorp, began with Guillaume Canet's *Nous finirons ensemble* (*Little White Lies 2*) released on May 1, 2019 and Luc Besson's *Anna* released on July 10, 2019. The terms and conditions of this partnership will be decided film by film.

In March 2019, EuropaCorp and Gaumont signed an agreement for the acquisition by Gaumont of the exploitation of films in co-production and films under distribution agreements from EuropaCorp's Roissy Films catalog.

In a judgment dated May 13, 2019, the Commercial Court of Bobigny initiated safeguard proceedings in relation to EuropaCorp SA for an initial period of six months, extended through a ruling on October 29, 2019 for a further six-month period (see Section 18.7 of this Universal Registration Document). The Board of Directors and Senior Management of EuropaCorp believe that the safeguard proceedings will make it possible to negotiate the terms and conditions for an improvement in the Company's financial position through a restructuring of its debt and capital, while maintaining normal business operations.

On February 28, 2020, the Company's creditors' committee approved the draft safeguard plan. This

draft notably provides for the equitization of all the receivables held by Vine funds ultimately managed or advised by Vine Alternative Investments Group, LLC (Vine) and Falcon Strategic Partners IV, LP (“Falcon”) against EuropaCorp. The new shares would be subscribed in cash, by offsetting receivables, through (i) a capital increase with removal of the preferential subscription rights of Vine Media Opportunities – Fund III, L.P., Vine Media Opportunities – Fund III-A AIV, L.P. and Falcon Strategic Partners IV L.P. for the gross sum of €77,217,449.88, issue premium included, through the issuance of 20,757,379 new shares, at a price of €3.72, and (ii) a capital increase with removal of the preferential subscription rights of Vine Media Opportunities – Fund III, L.P., Vine Media Opportunities – Fund III-A, L.P., Vine Media Opportunities – Fund III-B, L.P. and Vine Media Opportunities – Fund III-A AIV, L.P. for the gross sum of €115,301,625.13, issue premium included, through the issuance of 60,367,343 new shares at a price of €1.91. A new credit line granted by certain Vine funds is planned under the safeguard plan and more details are given in Section 8.2.2 of this Universal Registration Document.

On July 24, 2020 the Commercial Court of Bobigny approved the Company’s safeguard plan and on July 28, 2020 there were two share capital increases reserved for the funds Vine and Falcon, main creditors of the Company. The share capital increases, without preferential subscription rights for shareholders, amount to a total of €192,519,075.01 including the issue premiums.

On March 16, 2021, following the impact of the Covid-19 epidemic on the Group’s production start-ups, the Commercial Court of Bobigny approved the request to extend the duration of EuropaCorp SA’s safeguard plan for an additional two years. The total duration of the safeguard plan has thus been extended from seven to nine years from July 24, 2020, implying a new repayment schedule. Other terms and conditions of the Plan which are not in contradiction with the foregoing would remain unmodified.

5.4 Strategy and objectives

Having strengthened its governance and introduced rigorous pre-financing rules, the Group now plans on continuing its expansion and reinforcing its position among the top tier of European producers and distributors in the following main strategic areas, in line with the management rules established within the Group.

The Group’s strategy is primarily to refocus on its core business: the production of English-language and French-language feature films, the production of English-language television series, and international sales. These are the fundamentals which have made EuropaCorp’s success.

- *Keeping on the development of content more closely aligned with the Group’s historic successes*

Since 2000, EuropaCorp has produced 12 of the top 20 French films with the highest box office revenue abroad, with *Lucy*, *Taken 2* and *Taken 3* in the top three spots. The Group has already started to realign its content strategy with the genres of these historic successes with the release of *Taxi 5* in April 2018, and the July 10, 2019 release in France of Luc Besson’s latest film, *Anna*, a spy thriller.

The Group is thus reaffirming its priorities in terms of content:

- Investing in the production of action/science-fiction films with controlled budgets, covered by significant pre-financing, with significant involvement by Luc Besson as the writer, director and/or producer;
 - Development of existing and/or new franchises (sequels and/or prequels, as well as adaptations for TV of EuropaCorp’s film successes).
- *Focus on the development of English-language TV series with strong international potential*

In the global drama market, demand among broadcasters for new and exclusive content is on the rise, especially for English-language series with an international outlook. Large-scale international co-productions intended for international distribution are currently in development, while the North American market has opened up to European productions.

The acquisition of EuropaCorp Television in 2010 marked a milestone in the Group's plans to expand its television production business. In January 2018, the Group completed the sale of the French television production business in order to focus on the development of English-language series with strong international potential, such as the series *Taken*, co-produced with Universal.

EuropaCorp has several ongoing development projects, with the active participation of Luc Besson.

- *Development of docuseries, a genre popular with SVOD platforms*

In order to take into account changes in the market with the advent of the "docuseries" format in recent years, the Group is also developing this format with three main axes that correspond to the DNA of EuropaCorp and its founder, Luc Besson:

- The environmental cause;
- Urban territories;
- The world of cinema.

- *Continuing to develop international business*

The global demand for films and television series has increased in recent years, and despite the impact of the Covid-19 epidemic on theaters, sustained growth is expected in the coming years.

The Group, with its longstanding expertise in international films and its unique, world-renowned brand, intends to harness the growth of an expanding global market. In this context, EuropaCorp has put in place a priority action plan to boost the international share of its business, underscoring its commitment to developing English-language film productions with an international outlook.

On March 18, 2013, EuropaCorp created a subsidiary called EuropaCorp Films USA whose purpose is to ensure optimal deployment of its film projects associated with North American talent. This structure allows the closest possible positioning of the Group to developments, thus giving it direct and immediate access without any intermediary to the best projects circulating in the United States.

China is also a territory for the distribution of French and international films that has been growing considerably in recent years. EuropaCorp's films have been particularly successful in China: nine out of the ten most successful French films in China since January 1, 2000 were produced by EuropaCorp (Source: Unifrance – June 2020).

5.5 Patents, licenses, trademarks, and domain names

In general terms, EuropaCorp endeavors to take appropriate and reasonable measures in industrial property law in each of the appropriate jurisdictions to protect the rights on its films and the Group's trademarks. Accordingly, the "EuropaCorp" trademark and logo have been registered on behalf of EuropaCorp in France, the European Community and Japan. Moreover, the Group has registered the "La Cité du Cinéma" trademark.

The Group owns a portfolio of over 150 active and inactive domain names related primarily to the films it produces (*Taxi 5*, *Valerian and the City of a Thousand Planets*, *Lucy*, *Transporter*, *Taken*,

Colombiana, etc.) and to Group companies. For example, the Group registered nine domain names to promote and protect the film *Arthur & the Invisibles* and any of its associated products.

In accordance with professional practices, the scenarios and scripts related to films produced by the Group are registered with the French Society of Authors and Dramatic Composers. For films, the registration of a film in the French Public Register of Cinematography and Audiovisual Works (Registre public de la cinématographie et de l'audiovisuel) is mandatory and must occur prior to the date of issue of release authorization. Furthermore, all acts that modify the chain of rights of a film must be registered in the public registry when the work to which they relate is registered. This is the case especially for agreements pertaining to copyright transfers, co-productions, distribution, exploitation, pledges, delegations of receipts, assignments of rights, and memoranda (unless confidentiality is requested by one of the parties to the agreement). Unless it is registered, the agreement in question is not enforceable against third parties.

When its films are produced, the Company usually does not register trademarks for their titles; its exploitation rights for the films are protected in France by intellectual property rights due simply to the original nature of the creative work and registration of contracts relating to the Public Register of Cinematography and Audiovisual Works. However, in the case of *Arthur & the Invisibles*, the outlook in terms of profit and licenses derived from the film were significant, which justified the establishment of an active policy to protect industrial property rights prior to the film's release. As a result, the trademark for "*Arthur et les Minimoys*" was registered in France and the trademark for "*Arthur & the Invisibles*" was registered in France, the European Union and several other countries around the world.

In addition, the Company registered the designs for the film (characters, props, scenery), before the film's release, thus constituting a precedent and a certain date in the event of litigation or plagiarism or piracy by third parties.

5.6 Competitive environment

EuropaCorp is mainly involved in the production and distribution of films. Since late 1999, the company has developed a business model by seeking to manage all stages of the film production and exploitation chain. This control of the production - from project development to post-production - and distribution chain has enabled EuropaCorp to apply its professionalism, creative methods and quality standards during each stage of the film's conception and marketing.

Within EuropaCorp, the artistic and financial management of the film are carried out jointly as soon as the decision is made to go into production. This approach distinguishes EuropaCorp both from traditional independent production companies, forced by their size to rely on larger groups to finance and distribute their films, and large, integrated media groups which are less conducive to the creative process.

The vertical integration of all aspects of the film production and distribution chain has enabled EuropaCorp to increase its share of the receipts generated by the films. In parallel, EuropaCorp has a policy aimed at partially covering its financial risks as executive producer or co-producer through the pre-sale of rights ahead of the theatrical release of its films.

In December 2018, the Group signed a distribution partnership with Pathé Films for France involving three films per year (see Section 7 of this Universal Registration Document).

Moreover, EuropaCorp has developed complementary activities to the production and distribution of feature films, such as music publishing, merchandise, licensing and partnerships.

The Group has diversified into television drama production, notably with the acquisition of Cipango in April 2010, which changed its name to EuropaCorp Television in January 2011. The business assets related to the French television production activity were sold in January 2018. Because the sale does not involve the American television production, the Group will continue to produce and distribute English-language TV series with strong international potential, such as *Taken*.

- *A leading player in Europe*

EuropaCorp is now one of Europe's foremost independent studios. Since its inception, the Group has succeeded in creating a brand that is now widely recognized in the global film industry. As of March 31, 2021, EuropaCorp had 125 films produced and distributed⁴, 168 films distributed, and a significant track record of international successes. The Group is known for its ambitious productions and global positioning. The Group has a proven ability to deliver ambitious projects that bring together leading international talent and technical resources able to maximize the success of its films. For example, 12 EuropaCorp films have featured among the world's 20 highest-grossing French films since January 1, 2000 (Source: *Unifrance – June 2020*). These international blockbusters showcase the Group's talent in producing world-class English-language films that potentially represent increased revenue and profitability.

- *A creative powerhouse backed by an experienced management team*

The Group's creativity, which has been consistent for 20 years, is still a key factor in EuropaCorp's success. EuropaCorp benefits from the artistic talent and solid experience of Luc Besson who, as writer, director or producer, has been behind a slew of hits in the French and global film industry.

While a significant number of the films produced by EuropaCorp are based on ideas and screenplays developed in-house, the Group has a real ability to attract external projects through a variety of channels, which then undergo a rigorous selection process. The Group's reputation also allows it to attract talent for its projects in both France and abroad. EuropaCorp is linked with several young directors whose success and reputation are today recognized (such as Xavier Gens, Louis Leterrier, Pierre Morel and Olivier Megaton). In addition, EuropaCorp regularly attracts leading French and international talent such as Robert De Niro, Tommy Lee Jones, Kevin Spacey, Scarlett Johansson, Forest Whitaker, Kevin Costner, Liam Neeson, Jim Carrey, Morgan Freeman, Michelle Pfeiffer, Helen Mirren and Colin Firth, not to mention Guillaume Canet and Jean Dujardin, who have been involved in many EuropaCorp productions.

- *Unique expertise in the production of English-language content*

Based on its ability to produce films that meet the expectations of different markets (video, television, and international), EuropaCorp has succeeded in building a widely recognized brand which is highly regarded by the industry. Since its inception, EuropaCorp has made a name for itself through its ability to produce films with considerable international potential. Each year it is responsible for a significant percentage of French cinema exports to the rest of the world. International sales structurally represent the Group's primary revenue stream, accounting on average for almost 30% of revenue over the last three financial years. Consequently, strengthening the line-up in terms of English-language films is a key part of EuropaCorp's strategy.

- *A carefully managed film production process*

EuropaCorp routinely adopts a rigorous and disciplined approach to production based on artistic and financial control over each stage of the film-making process. The Group attaches enormous

⁴ Excluding line productions.

importance to controlling production costs, and has developed real expertise in this area by introducing strict auditing and reporting requirements throughout the film-making process. By controlling the production process, the Group has shown that it is able to produce films on budget.

In terms of financing its productions, EuropaCorp has always adopted a cautious approach, seeking maximum coverage of its financial commitments as producer as early on in the process as possible. As part of this policy, from the film's conception the Group plans its international distribution and the sale of rights to French television channels, estimating the film's economic potential in terms of pre-sales as accurately as possible.

As a general rule, the Group's policy is to launch the film's production only if, based on the expressions of interest or firm commitments received and on its past experience, it believes that a significant part of the film-making cost will be covered on the theater release date mainly by pre-sales (sale of international exploitation rights and television broadcasting rights) and financial contributions such as those made by co-producers. This coverage rate is in the range of 70% to 80%, with some of the Group's latest productions such as *Taxi 5* and *Anna* exceeding 100%.

- *An integrated model*

Since its inception, EuropaCorp has adopted a business model based on a vertically integrated studio in a bid to capture the lion's share of the film revenue. By controlling distribution in France, the Group is able to access revenue from the films produced across all distribution channels (theaters, video, sale of TV rights, VOD, SVOD, etc.) throughout a film's lifecycle. Finally, because of its integrated model, EuropaCorp is able to capture value creation linked to new types of film exploitation (licensing, partnerships, theme parks, etc.) and broadcasting.

To perfect its model, EuropaCorp has decided to invest in movie shooting sets (see Appendix 1, Note 5-3) and, thanks to a capital increase via a contribution in kind, has acquired 100% of Digital Factory's post-production business.

5.7 Investment

5.7.1 Major investments made by the Group during the last three financial years and up to the filing date of the Universal Registration Document

The Group's investments consist primarily of its investments in films and television series. The amount of the investments in the production, coproduction and acquisition of feature films and TV dramas totaled, respectively, €495 thousand, €(205) thousand, and €12,752 thousand for the financial years ended March 31, 2021, 2020 and 2019. Investments have been constrained over the last three financial years by the safeguard procedure and then by the Covid-19 epidemic.

For more information on the investments made in previous years, please refer to Section 5.1 of the Universal Registration Document.

5.7.2 Main Group investments in progress

In the context of the safeguard proceedings opened on May 13, 2019, the Company has had to postpone the production of films and television series. The Covid-19 epidemic subsequently hindered the resumption of production at the end of the safeguard procedure in July 2020. Development has nevertheless continued and the Company currently has several scripts for films and television series.

As of the filing date of this Universal Registration Document, there was no Group commitment relating to acquisitions.

Over the coming years, the vast majority of the Group's investments, and more specifically those of the Company, will remain concentrated in the production, distribution and co-production of films and television dramas.

5.7.3 Information on joint ventures and companies in which the issuer has a shareholding

Not applicable.

5.7.4 Environmental issues

EuropaCorp's environmental impacts stem from the office activities of its registered office and subsidiaries, as well as from the shooting of films for which EuropaCorp acts as executive producer.

- *Office activities*

The impacts of office activities are, by nature, very limited. The offices consume energy for lighting, IT equipment and heating, and water (domestic use only).

The La Cité du Cinéma site, which houses the film studios and offices, was decontaminated prior to its restoration.

- *Environmental impact of shooting*

For shooting, there are two different situations: the shootings may take place in the La Cité du Cinéma studios or on location.

The shootings taking place on the La Cité du Cinéma site require the building of sets and usually generate a large amount of waste. The waste is removed and sorted by a service provider.

The technical equipment (cameras, lights, etc.), which consumes a large amount of energy, is connected to the mains. Electricity consumption during the shooting largely depends on the film-making constraints. However, these shootings do not require much transportation, as the different sets are all located at the same place. This enables the reduction of the carbon impact due to production team travel between the different recording locations. This was the case in particular for *Valerian and the City of a Thousand Planets*, *Taxi 5* and *Anna*, shot at La Cité du Cinéma.

When the shooting takes place on location, less waste is generated. Moreover, it is immediately collected and taken to the waste collection center by the film crew. On the other hand, a generator is often used as a power source, whenever connection to the mains is technically impossible. For location shooting, power consumption also depends on the film-making constraints, in particular lighting requirements.

In 2011, the "Ecoprod" co-operative established the audiovisual industry's carbon footprint, from the production of a film to its exploitation in theaters. The results showed that the emissions associated with the production of all cinematographic works in France are very low: around 100,000 tons per year, the equivalent of the carbon footprint of 15,000 French residents.

EuropaCorp's activities thus have no material impact on the air, water or soil and do not give rise to any noise or visual pollution. Likewise, EuropaCorp's activities do not affect the biological balance or natural environment.

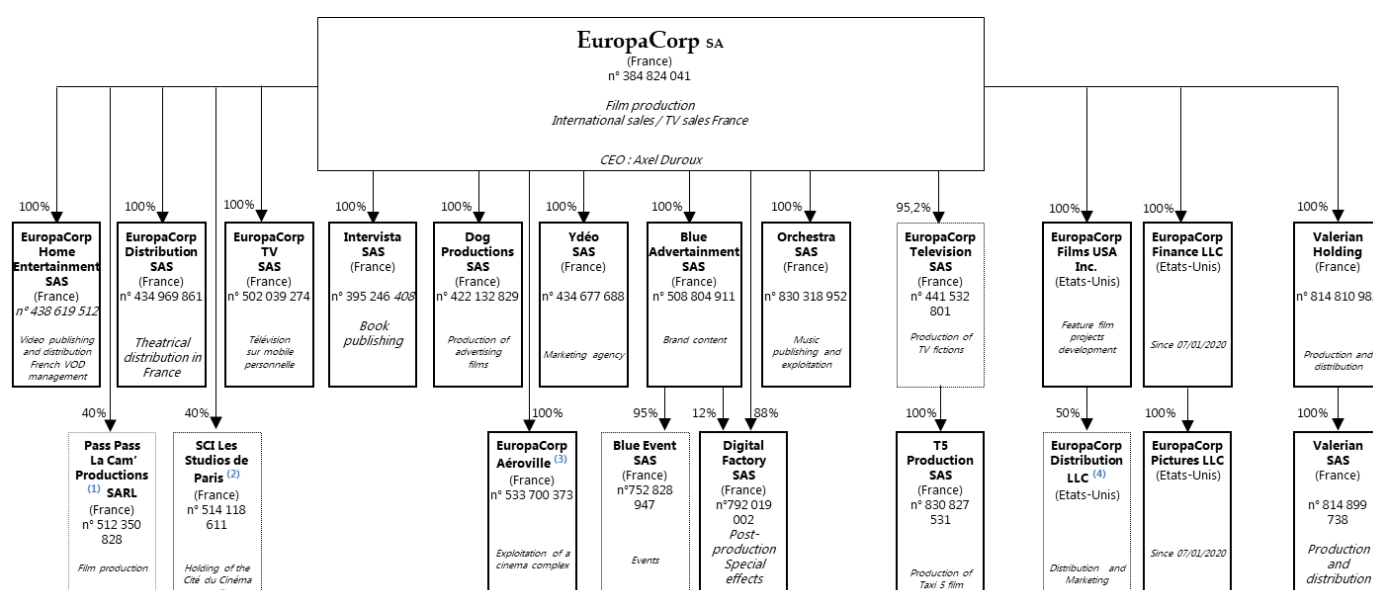
- *Raising awareness of environmental protection*

EuropaCorp tackled the issue of raising awareness of environmental protection through two films. *Home*, a film directed by Yann Arthus-Bertrand and co-produced by EuropaCorp, was thus the first to be released simultaneously in 181 countries and on all media (television, DVD, and Internet), on the World Environment Day on June 5, 2009. Again in 2009, EuropaCorp distributed *The Cove* in French theaters. The film is a documentary on the controversial killing of 23,000 dolphins in the Bay of Taiji in Japan. Directed by Louie Psihoyos, a former National Geographic photographer, this film won numerous awards including the 2010 Oscar for best documentary.

Environmental issues are also at the heart of the Group's future docuseries development strategy.

6 ORGANIZATIONAL STRUCTURE

6.1 Simplified group structure as of the date on which this Universal Registration Document was filed.



(1) Other shareholders: Mr. Hicham Tragha (25%), Mr. Adnane Tragha (25%) and Mr. Milos Dupor (10%). The company is being liquidated.

(2) Other shareholders: Euro Media France (25.01%), Quinta Communications (25%) and Front Line (9.99%).

(3) The EuropaCorp Aéroville business was sold on December 16, 2016 to Pathé Ciné 29.

(4) Other shareholder: Relativity Media (50%).

NB:

- Simplified organization chart, excluding SPV;
- The percentage of share capital owned is identical to the percentage of voting rights held;
- Cipango Music SARL was transferred in full to its sole shareholder, EuropaCorp Television SAS on December 7, 2020;
- Roissy Films SAS and EuropaCorp Music Publishing SAS were the subject of a universal transfer of assets to their sole partner EuropaCorp SA on February 4, 2021;
- EuropaCorp Television USA LLC was liquidated in September 2020.

Description of subsidiaries and equity interests

EuropaCorp Home Entertainment

EuropaCorp Home Entertainment is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 438 619 512). The primary activity of EuropaCorp Home Entertainment is video publishing and distribution. EuropaCorp Home Entertainment was incorporated and became a subsidiary of EuropaCorp on June 15, 2001. EuropaCorp Home Entertainment is 100% owned by EuropaCorp, which is also its Chairman.

EuropaCorp Distribution

EuropaCorp Distribution ("EuropaCorp Distribution" elsewhere in the Universal Registration document) is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 434 969 861). The primary activity of EuropaCorp Distribution is the distribution of films to theaters in France. EuropaCorp Distribution was incorporated and became a subsidiary of EuropaCorp on February 22, 2001. EuropaCorp Distribution is 100% owned by EuropaCorp, which is also its Chairman.

Intervista

Intervista is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 395 246 408). The primary activity of Intervista is book publishing as it relates to the world of film. The company was incorporated in 1994 and became a subsidiary of EuropaCorp on May 28, 2002. Intervista is 100% owned by EuropaCorp, which is also its Chairman.

Dog Productions

Dog Productions is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 422 132 829). The primary activity of Dog Productions is the production and distribution of institutional and advertising films. The company was incorporated in 1999 and became a subsidiary of EuropaCorp on May 28, 2002. Dog Productions, which was formerly owned 95% by EuropaCorp and 5% by Bernard Grenet, became a wholly owned subsidiary of EuropaCorp on March 2, 2006.

Ydéo

Ydéo is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 434 677 688). The primary activity of Ydéo is advertising consultancy and advertising space purchasing. Incorporated in 2001, Ydéo became a subsidiary of EuropaCorp on May 16, 2007. Ydéo is 100% owned by EuropaCorp, which is also its Chairman.

EuropaCorp TV

EuropaCorp TV is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 502 039 274). The primary activity of EuropaCorp TV is the operation of an audiovisual communication service. EuropaCorp TV was incorporated and became a subsidiary of EuropaCorp on January 14, 2008. EuropaCorp TV is 100% owned by EuropaCorp, which is also its Chairman.

EuropaCorp Television

EuropaCorp Television is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 441 532 801). The primary activity of EuropaCorp Television is the production of television programs. It was incorporated on April 9, 2002 and became a subsidiary of EuropaCorp on April 15, 2010. It was initially 75% owned, and the remaining 25% was subject to promises to buy and sell no later than July 31, 2014. EuropaCorp Television is 95.2% owned by EuropaCorp, which is also its Chairman. The name of the company, which was originally Cipango, became EuropaCorp Television on January 1, 2011. The business assets related to the French television production activity were sold in January 2018. Because the sale does not involve the American television production, the Group will continue to produce and distribute English-language TV series with strong international potential, such as *Taken*.

Les Studios de Paris

Les Studios de Paris is a French non-commercial company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 514 118 611). EuropaCorp holds a 40% interest in the structure, alongside Euro Media Group (through Euro Media France at 25.01%), Quinta Communications (25%), and Front Line (9.99%). The company is an investor in a group of nine film sets, built at a cost of €30.2 million and with a surface area of between 600 and 2,200 square meters each, located at La Cité du Cinéma. Les Studios de Paris is managed by Quinta Communications.

As EuropaCorp holds a 40% non-controlling share of SCI Les Studios de Paris, the latter is consolidated using the equity method in EuropaCorp's consolidated financial statements.

In the financial year that began on January 1, 2017, it was agreed that all assets belonging to Les

Studios de Paris SAS (Trade and Company Register of Bobigny No. 514 118 611) would be sold to the Company in a dissolution-merger transaction. The decision to dissolve and merge Les Studios de Paris SAS was taken on May 17, 2017 and the transaction was concluded on June 30, 2017. The transaction was retroactive to January 1, 2017.

A safeguard procedure was opened with regard to this company by a judgment of the Commercial Court of Bobigny on March 17, 2020 and was extended until December 17, 2021.

Pass Pass La Cam' Productions

Pass Pass La Cam' Productions is a French limited liability company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 512 350 828). It is a production company. EuropaCorp holds a 40% stake in Pass Pass La Cam' Productions. The other shareholders of the company are Mr. Hicham Tragha (25%), Mr. Adnane Tragha (25%), and Mr. Milos Dupor (10%). EuropaCorp is the Manager of Pass Pass La Cam' Productions. As of this date, the company is being liquidated.

EuropaCorp Aéroville

EuropaCorp Aéroville is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 533 700 373). EuropaCorp Aéroville's main business is the operation of the EuropaCorp Cinemas movie complex located in the Aéroville shopping mall, near Roissy airport. EuropaCorp Aéroville was incorporated and became a subsidiary of EuropaCorp on July 19, 2011. EuropaCorp Aéroville is 100% owned by EuropaCorp, which is also its Chairman. The EuropaCorp Aéroville business was sold on December 16, 2016 to Pathé Ciné 29.

Blue Advertainment

Blue Advertainment is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 508 804 911).

Blue Advertainment's main businesses are the consulting services and operational assistance it provides to businesses and other organizations for corporate communications and image (brand entertainment). It became a subsidiary of EuropaCorp on March 1, 2013, as a result of a contribution in kind during which 100% of the shares of Blue Advertainment were awarded to EuropaCorp. EuropaCorp owns 100% of Blue Advertainment and is its Chairman.

The purpose of this contribution in kind was to combine under EuropaCorp the synergistic activities of the Group, namely the brand entertainment and post-production activities carried out respectively by Blue Event and Digital Factory, owned 95% and 100% respectively by Blue Advertainment.

Blue Event is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 752 828 947). Blue Event's main purpose is the provision of consultancy and technical services for sound, lighting, editing, structures, and image projection, as well as the production, promotion and organization of events inside or outside La Cité du Cinéma. Blue Advertainment owns 95% of this company and is its Chairman.

Digital Factory is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 792 019 002). Digital Factory's main purpose is audiovisual post-production activities including editing, mixing, and visual effects.

The company's share capital is held at 12% by Blue Advertainment and 88% by EuropaCorp SA, which is its Chairman. Safeguard proceedings were initiated in respect of this company by judgment of May 13, 2019. Until 2012 the company operated out of a site in Normandy. In order to be closer to its clients, the company then transferred its activities to La Cité du Cinéma where it remains to this day. The company retained ownership of the site in Normandy which is no longer operational and, as such, generates costs that are not necessary for its operations. Under its safeguard plan, in order to benefit from the necessary cash flow to meet its obligations, Digital Factory is to sell this Normandy

site to a company controlled by Luc Besson. The price of this transaction is to be higher than the one arising from the two valuations instigated by Digital Factory and carried out at the request of the court. This operation is part of the Digital Factory safeguard plan as approved by the Commercial Code of Bobigny on July 24, 2020. The sale was finalized on September 8, 2020.

EuropaCorp Films USA, Inc.

EuropaCorp Films USA Inc. is an American company incorporated on March 18, 2013 in accordance with the laws of the State of California, whose registered office is located at 335-345 North Maple Drive, Beverly Hills (California). The company is wholly owned by EuropaCorp; its purpose is to ensure the development of film projects, as the Group wishes to partner up with North American talent (screen writers, actors, etc.). This structure allows the closest possible positioning of the Group to developments, thus giving it direct and immediate access without any intermediary to the best projects circulating in the United States.

EuropaCorp Distribution LLC (non-consolidated company)

EuropaCorp Distribution LLC (formerly Relativity EuropaCorp Distribution LLC) is an American company constituted on February 20, 2014 under the laws of the State of California, headquartered at Beverly Hills (California). The company is 50% co-owned by EuropaCorp Films USA and Relativity Media and its purpose is the distribution and marketing of films on the North American continent. This structure allows the closest possible positioning of the Group to developments, thus giving it direct and immediate access without any intermediary to the best projects circulating in the United States. The company is supervised by Luc Besson, Chairman and Chief Executive Officer of EuropaCorp.

Valerian Holding

Valerian Holding is a French simplified joint stock company incorporated on November 20, 2015, whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 814 810 982). Valerian Holding is mainly involved in the production and distribution of the film *Valerian and the City of a Thousand Planets*. Valerian Holding is 100% owned by EuropaCorp, which is also its Chairman.

Valerian

Valerian is a French simplified joint stock company incorporated on November 25, 2015, whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 814 899 738). Valerian is mainly involved in the production and distribution of the film *Valerian and the City of a Thousand Planets*. Valerian is 100% owned by Valerian Holding, which is its Chairman.

Orchestra

Orchestra is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 830 318 952). The primary activity of Orchestra is music publishing and the exploitation of musical works. It was incorporated and became a subsidiary of EuropaCorp on June 16, 2017. Orchestra is 100% owned by EuropaCorp, which is its Chairman.

T5 Production

T5 Production is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 830 827 531). T5 Production will produce the fifth full-length feature in the Taxi series, *Taxi 5*.

EuropaCorp Finance, LLC

EuropaCorp Finance LLC is an American company incorporated on July 1, 2020 under the laws of the State of Delaware, the registered office of which is located at 251, Little Falls Drive in Wilmington (Delaware). The company is wholly owned by EuropaCorp SA and its purpose is the worldwide distribution of films produced by the Group or LBP.

EuropaCorp Pictures, LLC

EuropaCorp Pictures LLC is an American company incorporated on July 1, 2020 under the laws of the State of Delaware, the registered office of which is located at 251, Little Falls Drive in Wilmington (Delaware). The company is wholly owned by EuropaCorp Finance LLC and its purpose is the worldwide distribution of films produced by the Group or LBP.

6.2 New structure implemented under the safeguard plan

Following the restructuring, Vine (Fund III) holds a majority stake in EuropaCorp. The strategic refocusing and the independence in terms of production are achieved through a new production model that has been introduced for certain films. In this context, a new production company has been established (hereinafter “LBP”), controlled by Luc Besson, to act as executive producer on certain films.

In parallel, in order for EuropaCorp to have the necessary financial resources to launch new films and increase the value of its catalog, new finance has been injected, in the vast majority of cases by the Vine fund (Fund IV), separate from Vine Fund III, current Group shareholders, with the remainder provided by certain members of Vine (“Vine Lenders”) through the Borrowing Base (as defined under Section 8.2.2 below) subscribed on July 30, 2020 by the American sub-subsidiary EuropaCorp Pictures LLC.

EuropaCorp Pictures LLC oversees the worldwide distribution of films produced by the Group or by LBP and selected by EuropaCorp. In the latter case the relevant films are subject to a distribution agreement with EuropaCorp Pictures LLC which purchases the exploitation rights jointly with EuropaCorp, and the other transferable rights to films selected by EuropaCorp are transferred to it by LBP. EuropaCorp Pictures LLC pledges the expected income from pre-sale contracts to Vine Prêteurs. If distribution or co-production contracts have to be signed directly by LBP, for example for distribution in France, the revenue from those contracts is redirected to EuropaCorp Pictures LLC or EuropaCorp depending on the exploitation rights which are sold to one or the other.

The new production model for films to be produced by LBP and selected by EuropaCorp is as follows:

- Should LBP wish to produce a film, it is offered to EuropaCorp which has first refusal;
- Should EuropaCorp choose to distribute it, EuropaCorp has the option of funding the film in full through EuropaCorp Pictures LLC, taking into account tax credits, financial subsidies for production, co-production costs and any other contract signed directly by LBP;
- However, EuropaCorp may call on LBP to sign certain contracts (contracts with French television channels may, for example, be signed by LBP);
- Should EuropaCorp exercise the funding option via EuropaCorp Pictures LLC, the latter supersedes EuropaCorp and temporarily becomes the beneficiary of all exploitation rights to the film. It acquires from LBP the distribution rights for all territories and EuropaCorp may, for its part, through a purchase option, acquire the transferable intellectual property rights and any other residual financial rights to the films produced. EuropaCorp may also acquire rights to certain territories depending on its contractual agreements;
- The EuropaCorp teams offer film distribution services and supply general business-related services. In exchange for the services rendered to EuropaCorp Pictures LLC, EuropaCorp

receives remuneration enabling it to exercise the purchase option on the transferable intellectual property rights and all other residual financial rights to the films produced;

- The exploitation rights for all films, with the exception of the most recently produced film, are transferred by EuropaCorp Pictures LLC to EuropaCorp when all production debts have been repaid. The residual film exploitation rights return to EuropaCorp when the credit line is closed.

The amount to be loaned by Vine Prêteurs to EuropaCorp Pictures LLC is calculated as follows:

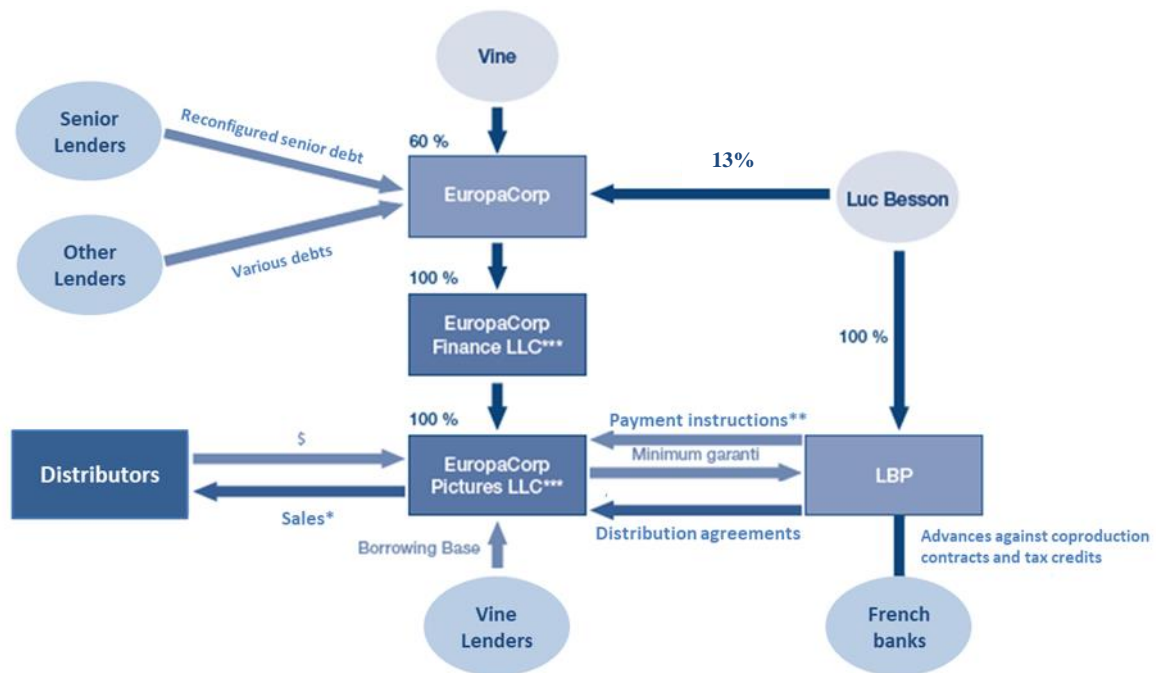
- LBP sets a production budget which must be covered by pre-sales, tax credits and production subsidies and any other form of revenue;
- EuropaCorp negotiates with international distributors and French television channels for them to pre-purchase the film so as to ensure, through minimum guarantees, the proportion of funding to be covered by pre-sales as set out above;
- Since the bulk of the minimum guarantee amounts are paid only once the film is delivered, EuropaCorp Pictures LLC uses the Borrowing Base to anticipate the expected income from contracts and tax credits so as to fund the film.

The revenue from the first life of the film (receipts in theaters in France, minimum guarantee amounts worldwide, videos and VOD, first TV broadcast) provide EuropaCorp Pictures LLC with the means to gradually repay Vine Prêteurs.

After repaying the production debt, all transferable rights to the various films produced by LBP and selected by EuropaCorp return to EuropaCorp and its subsidiaries.

Thus, in exchange for funding the production, EuropaCorp will hold all rights to the films it produces as well as all transferable rights to the films produced by LBP that it selects.

Description of the new production model



7 REVIEW OF THE FINANCIAL SITUATION AND INCOME

The comments below should be read with regard to the consolidated financial statements and the notes thereto and the financial information presented in the other sections of this Universal Registration Document. The consolidated financial statements for the financial years ended March 31, 2019, 2020 and 2021 were prepared according to IFRS. The comments below include forward-looking information. These were based on assumptions considered reasonable, but are nevertheless subject to significant risks and uncertainties that may result in events or conditions that differ significantly from those set out below. Please refer to Section 3 of the Universal Registration Document for more detailed information on the uncertainties, risks, and assumptions relating to forward-looking information. All amounts are expressed in thousands of euros.

7.1 Financial position

7.1.1 Overview and development

EuropaCorp is mainly involved in the production and distribution of films. Since late 1999, the Group has developed a business model based on seeking to manage all stages of the film production - from project development to post-production - and exploitation chain of its films.

As of March 31, 2021, the Group had produced or co-produced a running total of 126 films distributed in theaters. The following table shows the changes in consolidated revenue, consolidated cost of sales, and consolidated profit (loss) prepared according to IFRS during the last three financial years, and the number of films produced, co-produced, and released in theaters for each financial year:

(In thousands of euros)	Financial year ended March 31, ⁵		
	2021	2020	2019
Turnover	41,492	69,767	149,982
Cost of sales	(22,548)	(48,322)	(121,623)
Net income - Group share	122,606	(95,049)	(109,908)
Number of films produced and co-produced released in theaters during the financial year ⁶	0	3	3

The films produced and distributed by EuropaCorp were targeted for both the French market and the international market. Since the launch of the cinematographic business in 1999 through September 30, 2019, the Group has overseen the production of 91 films released in theaters in France, as an executive producer or co-executive producer.

As of the 2019/2020 financial year, following the distribution partnership signed with Pathé Films in December 2018 for France, films produced or coproduced by EuropaCorp are distributed in movie theaters and video markets by Pathé (three films per year).

International distribution is handled by local distributors located in various countries. Each distributor is granted the exploitation rights of one or more of Group's films through all distribution channels for the relevant local market, subject to some exceptions in certain countries.

In 2010, the Group began its diversification into the production of TV programs with the acquisition of Cipango (now EuropaCorp Television) in January 2011. The business assets related to the French television production activity were sold in January 2018. Because the sale does not involve American television production, the Group can continue to produce and distribute English-language TV series

⁵ Presentation without IFRS 5 restatement for 2019.

⁶ Excluding line productions.

with strong international potential, such as *Taken*.

In addition, in February 2013, through a capital increase by a contribution in kind, the Group acquired 100% of the shares that comprise the share capital of Blue Advertainment (Brand content) and Digital Factory (Post-production) and 95% of the shares of Blue Event (Events).

The table below shows the distribution of Group consolidated revenue by distribution channel for the 2018/2019, 2019/2020 and 2020/2021 financial years, prepared according to IFRS:

(In thousands of euros)	Financial year ended March 31, ⁷					
	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>
International sales	11,988	28.9%	14,752	21.1%	51,946	34.6%
Theatrical distribution	582	1.4%	8,715	12.5%	6,798	4.5%
Video & VOD	1,330	3.2%	4,917	7.0%	14,110	9.4%
Television & SVOD	19,000	45.8%	27,274	39.1%	32,191	21.5%
TV series	5,648	13.6%	6,025	8.6%	24,364	16.2%
Subsidies	0	0%	1,117	1.6%	3,057	2.0%
Other activities	2,945	7.1%	6,967	10.0%	17,516	11.7%
Turnover	41,492	100%	69,767	100%	149,982	100%

7.1.2 Future development forecasts and research and development activities

For a number of years, the Company has been implementing a policy of refocusing on its core business, i.e. the production and coproduction of action and/or science-fiction feature films.

Moreover, the Company no longer wishes to assume the risk of distributing its films in the United States and wishes to return to third-party distribution agreements as in the past.

In light of its businesses, the Group has no inherent research and development activities.

7.2 Operating income

The main factors that have had and, in some cases, could continue to have an impact on consolidated results, are presented below.

7.2.1 Sources of Group revenue

- *General*

The Group's revenue mainly comes from the exploitation of its films in France and the United States on various distribution channels, which usually starts with releases in theaters, as well as from the sale of international distribution rights. Production and distribution activity for television programs, co-production receipts, licensing and partnership agreements, music publishing, events and post-production activities are sources of additional revenues.

During the 2020/2021 financial year, EuropaCorp did not release any films in theaters in France.

When the Group acts as executive producer and distributor, it receives all receipts from the film and

⁷ Presentation without IFRS 5 restatement for 2019.

pays the beneficiaries (co-producers and talent) the share that they are owed, net of distribution commissions, any “minimum guarantee,” and distribution and marketing expenses. With regard to the films for which it acts as a financial co-producer, the Group seeks generally to guarantee distribution in theaters and in video format. It can also handle the sale of international distribution rights. Lastly, for some French or foreign films, such as *The Nice Guys*, released in French theaters in May 2016, or *Big Game*, released in the United States in June 2015, the Group is only involved in distribution on certain channels.

- *International sales*

The international distribution of the films is handled by local partner distributors. During the financial year ended on March 31, 2021, the sale of international distribution rights represented 28.9% of total revenue.

Generally, a “multi-rights” agreement is signed with each local distributor, under the terms of which it has the option to exploit one or more of the Group’s films through all distribution channels available in its market, with a few exceptions in some countries. In return, the Group receives a non-repayable advance known as the “minimum guarantee”, calculated on the film’s estimated receipts before its theatrical release. The amount of this advance depends on the film’s budget and the size of the relevant market – the larger the budget or market, the higher the minimum guarantee, although this may be capped under the contract. Other forms of remuneration may be envisaged, depending on agreements signed with local distributors on a case-by-case basis.

Any additional receipts earned by the distributor for the exploitation of a film in the various distribution channels in its territory (once the distribution fee, minimum guarantee and distribution expenses have been reimbursed) are divided in accordance with the agreement between the local distributor and EuropaCorp. The amount and type of distribution and marketing expenses can be set by the local distributor, or decided by mutual agreement between the distributor and the Group. These are specified in a “multi-rights” agreement.

The Group has historically maintained close, but not exclusive, relationships with several local distributors.

Generally, revenue from the sale of international distribution rights is exposed to fluctuations in exchange rates that may have a negative impact on the result and the Group’s operational cash flows.

- *Theatrical distribution*

Since December 2018, the Group has granted the distribution of films produced or coproduced by EuropaCorp to Pathé Films. This partnership pertains to France and involves three films per year for a three-year period. It began with Guillaume Canet’s *Nous finirons ensemble* (*Little White Lies 2*) released in May 2019, and Luc Besson’s *Anna* released in July 2019. The terms and conditions of this partnership will be decided film by film.

- *Video and VOD*

As the Fox Pathé Europa EIG was liquidated during the financial year, video media are now distributed in France through ESC-DISTRIBUTION under the distribution agreement signed with Pathé, and, as before, through the intermediary of Lionsgate in the United States. The Group supplies the video master and decides on the release date and strategy, while ESC-DISTRIBUTION or Lionsgate handles marketing and logistics. To accompany the release of new titles on video, tailored marketing programs are developed in collaboration with ESC-DISTRIBUTION or Lionsgate. Invoicing and collection are the responsibility of ESC Distribution or Lionsgate depending on the

territory concerned.

- *TV and SVOD*

Films are sold directly to television channels in France and the United States under broadcasting agreements signed for each film individually, for broadcast on the pay and unencrypted television channels for specific broadcast windows.

- *TV series production*

The revenue generated by the TV series business derives mainly from the sale of the rights to TV programs produced or co-produced by EuropaCorp Television. These rights are primarily intended to be pre-sold to the local broadcasters with whom the project was developed.

At the end of the first exploitation period, other sales can be made by the producer or an agent and may potentially result in video distribution. English-language series can be sold in different regions, either by the Group or by a designated representative.

- *Events*

The Events business corresponds to events organized by the company Blue Event, especially within La Cité du Cinéma. Following the reduction of the lease space as part of the safeguard plan validated in July 2020, Blue Event no longer has access to the central nave for its Events activity.

- *Other sources of revenue*

Other sources of revenue are comprised mainly of revenues from receipts from films co-produced by the Group, licensing and partnership agreements, subsidies funds, music publishing, brand content, and post-production. This income is generated in France and abroad, with the exception of subsidies funds, brand content, and events, which affect France only.

- *Catalog*

As a general rule, the economic life of a film is divided into cycles that correspond to the exploitation period of a film across all distribution channels. The first exploitation cycle is the most important because it corresponds to the period during which most of the revenue is earned and the most costs are incurred and recorded as expenses. From an accounting point of view, the first exploitation cycle usually ends at the end of the window for the third showing of a film on an unencrypted television channel, which corresponds to a period of five to ten years from the release date in theaters.

After this first exploitation cycle, when production costs have been fully depreciated, the film continues to be exploited in the catalog.

Receipts from catalog films are broken down by type of receipts and consist primarily of sales of television broadcasting rights for France, international sales in the event of a resale of rights in a territory when the initial contract with the local distributor expires, and video and VOD sales.

7.2.2 Sources of Group expenditures

The main expenses of the Group are linked to its position, either as executive producer of a film or as financial co-producer of a film, and ultimately cover its own operating expenses.

- *Executive producer expenditures*

As an executive producer, the Group mainly incurs expenses related to the development and production of films, the distribution and marketing of its productions, and the remuneration of rights holders (co-producers and talent, including the author, director and actors).

- *Development expenditures (preliminary costs)*

Development expenditures correspond in particular to purchases of film rights for books and original scripts, as well as costs incurred to adapt them to the screen. They also include remuneration paid to people used to write scripts on the basis of creative ideas generated internally. Their amount depends on the size and nature of the project.

- *Production and coproduction expenditures*

Expenses incurred for the production of films include all costs necessary for the production of a cinematographic work, i.e. shooting costs, remuneration of actors, technicians and other professionals, rental of studios, soundtrack and editing, post-production costs, and all other direct costs. The largest item is generally the remuneration of actors, technicians, and other professionals, and related social security contributions. Costs actually incurred are monitored by the Group over the entire period of production. When the Group acts as an executive producer or co-executive producer, it is responsible for the production and completion of the film, as well as its financing. Consequently, if production costs are over budget, the excess amount is paid by the Group unless a co-producer decides to finance its share.

With regard to beneficiaries, the Group pays the talent involved in the film, such as authors, producers, directors, actors, and other persons involved in the production of the film. This remuneration may be fixed or variable, and it is based on the net receipts generated by the film or other parameters such as box office in France, sales of video media and the sale of international distribution rights. In some cases, it may be a substantial amount.

In some cases, the Group operates as the financial co-producer for a film, investing a set amount with a producer that is intended to finance part of the cost of production. This investment constitutes the full commitment of the Group for the film as a co-producer, except in cases where the decision is made to participate in the financing of any cost overruns. However, when the Group also participates not only as a co-producer but as distributor under a distribution agreement for a film, it assumes the distribution and marketing costs related to that agreement.

Given the recent financial restructuring operations and then the Covid-19 epidemic which hampered the resumption of production, there was almost no investment during the financial year ended on March 31, 2021. As such, the development and production expenditures of films and audiovisual programs produced (finished or unfinished), co-produced (or being co-produced) or acquired by the Group amounted to €0.5 million in the 2020/2021 financial year, €(0.2) million in 2019/2020, and €12.8 million in 2018/2019.

Plus or minus third parties expenses, the expenditures mentioned above are usually capitalized in the Group's intangible assets. These assets are subsequently subject to amortization following the rules and accounting principles presented below (see Section 7.3).

- *Distribution and marketing expenditures*

Distribution and marketing expenditures for films correspond mainly to technical costs, promotion costs, and advertising costs. Technical costs include the cost of duplication and copying of films to the format suitable for their projection in theaters and video format publishing costs. Technical costs depend mainly on the number of theaters where the film will be screened. Significant marketing and

advertising budgets will be set aside for a film's release, particularly in the United States. They most often cover national and targeted media campaigns, as well as the promotion of the film by the actors. In addition, significant advertising costs are incurred to ensure the promotion of the film during its distribution through other channels, such as the video market.

Distribution and marketing costs vary depending on the strategy chosen to accompany the film's release in theaters and on other distribution channels. Following the co-distribution agreement with Pathé Films, the technical and marketing costs related to the exploitation of films in France are no longer borne by the Group. Technical and marketing expenses related to exploitation in foreign countries are usually borne directly by local distributors.

- *Operating expenditures*

Group operating expenditures, which are primarily overheads, include the salaries and social security contributions of permanent staff, rents for the offices occupied by the Group, professional fees, taxes, and other general and administrative expenses for the Group.

The rent paid by EuropaCorp to its landlord, represents a considerable expense of around €2.2 million a year, versus around €9.3 million in the initial lease (excluding rebilling to sub-tenants). It is for this reason that EuropaCorp negotiated with its landlord to reduce the rented area and consequently the amount of rent (see Section 3.2.6 of this Universal Registration Document).

7.3 Main accounting principles

The preparation of financial statements requires assessments on the part of the Group management and the use of assumptions and estimates that affect the amounts in the consolidated financial statements and the notes thereto. These assessments, estimates, and assumptions are based on historical data, economic conditions, and the economic situation in the film industry, as well as on various other factors considered reasonable in light of the context. The estimates are reviewed at half-year and year-end closing dates. The actual results may differ from these estimates if other assumptions or conditions were to apply.

7.3.1 Revenue recognition

- *International sales*

Most "multiple rights" contracts allow the commercial exploitation of a film or TV drama in a specific region through multiple distribution channels, including theaters, the video market, television and, in certain cases, VOD.

Revenues from these right assignment contracts are royalties and are recognized upon physical delivery to the local distributor of the items covered under the contract for the relevant film(s) (or TV series), when exploitation rights for the local distributor are accounted for.

If the one contract with a foreign distributor provides for different deliveries with corresponding benefits and revenues which are measurable (in general, a guaranteed minimum), discrete, separable and vested on EuropaCorp at the time of the deliveries, the proceeds of each delivery are recognized when the following deliveries are made and accepted by the foreign distributor.

In addition, any payable amount in excess of the minimum guarantee is posted under revenue only when finally acquired, i.e. when the amount has been confirmed by the local distributor.

Any contract entered into before delivery entails the recognition of "Deferred income" under liabilities in the statement of financial position (if income has been billed and the corresponding

amount due is payable), or under “Off-Statement of financial position commitments received” (if no invoice has been issued or the amount is not due yet), until delivery.

- *Distribution in theaters*

Revenues from the films’ distribution to theaters in France are recognized when sold to the ticket offices, based on a weekly report submitted by each theater stating revenues for the previous week. Generally, the corresponding revenues are collected during the quarter following the film’s release.

- *Video & VOD distribution*

Proceeds from the exploitation of video rights are accounted for based on monthly sales. At the end of the financial year, a provision is created for estimated returns and rebates granted contractually to clients (notably for large quantities). This provision is deducted from the revenue of the financial year. Videos are distributed by the Fox Pathé Europa EIG created in conjunction with 20th Century Fox Home Entertainment SA and Pathé Video SA. The Group receives a bill issued by the Fox Pathé Europa EIG at the end of each month, which is paid in 60 days.

Revenues from VOD and pay-per-view film offers are recognized upon receipt of the reports prepared by the operators, generally on a monthly basis. In general, this revenue is equally shared between the Group and the operator. The former, however, receives a minimum amount per view.

- *Television broadcasting rights sales in France*

In accordance with IFRS standards, revenue from the sale of French TV broadcasting rights to pay and free-to-air French channels are recognized in their entirety after signature of the sale agreements, after acceptance of the broadcasting material and from the time the broadcasting window opens.

- *Subsidies funding*

Before the change of majority shareholding following the capital increases reserved for the American Vine funds, the Group received support funds from the CNC (Centre National du Cinéma et de l’Image Animée) for the exploitation of films qualified as European works and approved for production by the CNC. This funding was then used to finance the production of films satisfying the conditions laid down by the CNC. The revenue was recognized for each share corresponding to the stage of the exploitation of the film, which included distribution in theaters, the sale of television broadcasting rights, and the video market. The subsidies funding received by EuropaCorp Distribution and EuropaCorp Home Entertainment for their distribution and video editing activities was thus recognized in revenue as the receipts from the activities were recorded. The claim against the CNC was listed in the balance sheet under the category “Other receivables”. The subsidies funding was not collected by the Group until it was invested in the production of new films that met the conditions set by the CNC. Funds not re-invested within a period of five years are prescribed and recognized in the profit and loss statement as other operating expenses.

The subsidy funds generated and other similar subsidies amounted to €1,117 thousand and €3,057 thousand respectively for the financial years ended March 31, 2020 and 2019, or 1.6% and 2.0% respectively of total revenue for these years.

As EuropaCorp is now controlled by a legal entity from a non-European country, following the capital increases of July 2020, the Group no longer benefits from financial aid for production, nor from financial aid for promotion and distribution abroad (export support). As its Board of Directors now has an American majority, it cannot benefit from financial aid for video publishing.

However, the Group continues to receive financial support for distribution, but as it did not release

any films in theaters during the financial year, no support was generated. The support fund generated and other similar grants were therefore nil as of March 31, 2021.

- *Licensing and partnerships*

Income from licenses and partnership agreements is recognized in accordance with the contractual provisions. Any royalties received above the guaranteed minimums are accounted for under income upon issuance of the invoice, i.e. upon receipt of the report prepared by the licensee.

- *Music publishing*

Income from the sale of soundtrack CDs comprises the guaranteed minimums of licensed distributors and any royalties. It is reported in accordance with contractual provisions. Any royalties received above the guaranteed minimums are accounted for under income upon issuance of the invoice, i.e. upon receipt of the report prepared by the licensee.

Income from international music publishing agreements is recognized at the date royalties are billed. Income from publishing in France is collected by third parties, which send sales report to the Group. The corresponding income is reported when the Group issues the invoice for the amount payable by the third parties.

- *Line production*

Revenues received by EuropaCorp for its services as line producer are recognized based on the progress of each production at the closing date.

Until all of the conditions for recognition described above have been met, revenue is recognized in deferred income, under the line items "Other non-current liabilities" and "Other current liabilities" in the consolidated financial statement.

- *Events*

The main component of the revenues of this business is service provision fees under contracts whose benefits are recognized in revenue upon realization.

7.3.2 Preliminary expenses

Preliminary expenses recognized under intangible assets in compliance with IAS 38 are essentially the fees paid to acquire existing film rights (option agreements) and adaptation costs in view of securing a script that the Group intends to produce in the mid-term. They are reported separately and reviewed project by project at each period closing. Preliminary costs that do not lead to a decision to shoot within five years from their first recognition are depreciated. However, this principle does not apply to projects having been recognized for more than five years, if there are specific production commitments or genuine expressions of interest, or when the Company believes that the development timeframe does not call into question the start of shooting in the long term.

7.3.3 Amortization of film production costs and write-downs of work in progress

Film production costs are recorded in the statement of financial position as intangible assets, with the understanding that, where applicable, the variable portion of the remuneration of talent and other beneficiaries is recorded as operating expenses for the cost of sales after release, on the basis of the exploitation of the film. Depreciation of a finished film or television drama starts with the recording of the first revenue associated with its exploitation once the exploitation rights are open. Yearly amortization is posted in the statement of financial position under "cost of sales".

Films and audiovisual productions are amortized individually using the film forecast method, i.e. by applying to the cost of the film the ratio resulting from the comparison of actual net revenues and total estimated net revenues. Total net revenues include i) net revenues acquired over the period, notably including income and distribution expenses for films on territory of the United States, and ii) projected net revenues over a period of 12 years maximum from the premiere date.

As explained in the same section of the previous Registration document, the time frame used for estimating future revenue is not fixed and may be reviewed if future income from international exploitation or TV France is considered significant and spread over a longer period. To date, given i) past sales of TV rights in France, and ii) the practices of the main competitors of the Group, the use of a maximum period of 12 years to determine projected net revenue appears justified and in line with industry practice. The Senior Management regularly reviews and adjusts the expected net revenue, if required, taking into account the performance of film exploitation, of new or expected agreements and the evolution of the audiovisual market at the closing date of the accounts.

If net amortization of the investment as calculated with this method is higher than the net income forecast, additional exceptional depreciation is recorded to cover the shortfall.

Insofar as a significant portion of net revenue from international films is currently generated at the start of exploitation (in particularly thanks to international presales), in general the amortization expense accounts for over half of their gross value in the financial year they were first exploited. In addition, as generally international films are more expensive, they also generate higher amortization expenses. The review of expected future net revenues may lead to significant fluctuations in the amortization rate applied to the remainder of the production costs to be amortized.

Likewise, an impairment provision may be recorded for ongoing productions at the end of the period, if the initial budget is exceeded by a significant amount. A provision is also created for films exploited between the closing date of the accounts and their approval, if the estimated value of future revenues is lower than the amount invested. The value of depreciation provisions is reviewed at each period end.

7.3.4 Distribution and marketing expenses

Distribution and marketing expenses for films correspond mainly to technical costs, promotion costs, and advertising costs and are recorded as expenses under “Cost of sales” in the financial statements. Technical costs and marketing costs are usually adjustable to 45 days and are not capitalized.

7.3.5 Overhead costs

When the Group operates as an executive producer, the share of overheads related to the production of the film is budgeted during the negotiations with the co-producers and activated as part of the cost of production of the film and is subject to the same rules of amortization (see Section 7.3.3 “Amortization of film production costs and write-downs of work in progress”).

7.3.6 Deferred income

Deferred income corresponds to sales billed but not yet recorded as revenue for the financial year. As a general rule, contracts for the sale of the television broadcasting rights for the period of exclusivity are signed prior to the launch of the shooting, while the price is paid by the broadcaster upon the delivery of the film, which usually occurs during the six months that follows the release of the film in theaters. Television broadcasting periods start 12 to 24 months after the release of the film in theaters. The amounts due and charged by the Group in respect of the sale of television broadcasting rights are recorded on the liabilities side of the balance sheet under “Deferred income” until the beginning

of the television broadcasting period, when they are included in their entirety in the profit and loss statement as revenue.

The revenues due and charged by the Group for the sale of international distribution rights are recorded on the liabilities side of the balance sheet under “Deferred income” until the date of delivery of the film in question to the local distributor.

As of March 31, 2021 and 2020, the deferred income for the sale of television broadcasting rights totaled €9,613 thousand and €12,302 thousand respectively, and those relating to the sale of international distribution rights represented €942 thousand and €3,097 thousand respectively.

7.3.7 Off-balance sheet commitments

Off-statement of financial position commitments received primarily comprise sales agreements for television broadcasting and international distribution rights which have been signed but not yet invoiced, or for which no receivable is due until the delivery concerned takes place. As a general rule, these contracts are entered into before or during the period of production of the film.

7.4 Changes in consolidated results

Comparison of the financial years ended on March 31, 2020 and March 31, 2021

The table below shows a comparison of the major items in the audited consolidated profit and loss statement for the 2019/2020 and 2020/2021 financial years:

	Financial year ended March 31	
	2021	2020
(amounts in thousands of euros, except for the number and data per share)		
Revenue	41,492	69,767
Operating income	41,492	69,767
Cost of sales	(22,548)	(48,322)
Operating margin	18,944	21,444
Overheads	(15,665)	(16,219)
Other operating income and expense	398	(64,334)
Operating profit (loss)	3,678	(59,109)
Income from financial investments / (Cost of financial debt)	(4,306)	(18,465)
Other financial income and expenses	3,542	(8,114)
Net gain from debt restructuring	134,921	
Financial income	134,156	(26,580)
Income from recurring operations before taxes	137,834	(85,688)
Income tax	(14,594)	(8,535)
Share of net income of associates	(576)	(827)
Net income	122,665	(95,051)
Of		
which Net Income - Minority share	59	(2)
Net income - Group share	122,606	(95,049)

As of March 31, 2021, earnings before interest and taxes (EBIT) included €13,547 thousand in amortization expenses versus €31,681 thousand as of March 31, 2020. As such, as of March 31, 2021, earnings before interest, taxes, depreciation and amortization (EBITDA) totaled €17,225 thousand versus €(27,428) thousand as of March 31, 2020.

The table below shows the breakdown of consolidated Group revenue by distribution channel for the 2019/2020 and 2020/2021 financial years, prepared according to IFRS:

(In thousands of euros)	Financial year ended March 31, 2021		Financial year ended March 31, 2020	
		%		%
International sales	11,988	28.9%	14,752	21.1%
Theatrical distribution	582	1.4%	8,715	12.5%
Video & VOD	1,330	3.2%	4,917	7.0%
Television & SVOD	19,000	45.8%	27,274	39.1%
TV series	5,648	13.6%	6,025	8.6%
Subsidies	0	0%	1,117	1.6%
Other activities	2,945	7.1%	6,967	10.0%
Turnover	41,492	100%	69,767	100%

- *Turnover*

The EuropaCorp Group's consolidated financial statements for the first half of the 2020/2021 financial year, prepared in accordance with IFRS, show consolidated revenue of €41,492 thousand compared to €69,767 thousand for the previous year, a 41 % decrease. This decrease is mainly due to the absence of new films during the financial restructuring finalized in July 2020 and by the Covid-19 epidemic which hindered the resumption of productions. The exploitation of EuropaCorp's catalog thus constitutes the bulk of revenues.

As a reminder, the Group's revenue is generally dependent on the release of its films through various channels. Indeed, the timetable of these releases can give rise to significant fluctuations in the revenue earned by each channel from one half-year to another. Therefore, half-year revenue and profit are not necessarily indicative of annual revenue and profit.

- *Cost of sales*

The cost of sales stood at €(22,548) thousand for the 2020/2021 financial year, compared to €(48,322) thousand in 2019/2020. The amount of amortization and write-downs for insufficient revenue during the 2020/2021 financial year amounted to €(13,547) thousand compared to €(31,681) thousand in the previous financial year, to be compared with the change in revenue for the period. The distribution and marketing expenses amounted to €836 thousand for the financial year ended on March 31, 2021 compared to €6,132 thousand in 2019/2020 (no films released in theaters versus *Nous finirons ensemble* (*Little White Lies* 2) and *Anna* during the previous financial year). The payments to third parties are down and represented €(7,954) thousand during the 2020/2021 financial year, compared to €(9,893) thousand in the previous year. The other costs of sales are mostly attributable to the operating costs of the other entities of the Group.

- *Operating margin*

The consolidated operating margin totaled €18,944 thousand versus €21,444 thousand in the previous financial year, i.e. a decrease of €2,500 thousand owing to reduced revenue. The operating margin increased from 31% to 46% due to the high proportion of catalog revenue in the overall revenue of the financial year.

- *Overhead*

The general and administrative expenses amounted to €(15,665) thousand, compared to €(16,219) thousand during the previous financial year, i.e. a saving of €555 thousand (-3%), thanks in particular to the reduction in the rent of La Cité du Cinéma.

- *Other operating income and expense*

The other operating income and expenses totaled €398 thousand, compared to €(64,334) during the previous financial year, and include non-recurring expenses for the same amount, of which €(60,316) thousand with no cash impact, in particular the recognition in debt of the Participation Deal (initially in off-balance sheet commitments) for an amount of €(40,995) thousand, the recognition criteria for a debt being met on February 28, 2020.

- *Operating profit (loss)*

After taking into account the above items, the operating loss for the 2020/2021 financial year totaled €(3,678) thousand, compared to a loss of €(59,109) thousand for the previous year.

"Cash" items of operating profit that generate cash flows include mainly sales, distribution and

marketing costs and overheads, while the main item with no cash impact consists of the amortization charge for production costs and asset write-downs.

- *Financial income*

Excluding the “technical” profit related to the recognition of capital increases, the financial result amounted to €(764) thousand compared to €(26,580) thousand during the previous financial year.

Approximately €14,000 thousand of this decrease of nearly €26,000 thousand is explained by the capitalization of the secondary debt in July 2020 and the subsequent saving in interests charges, and €9,000 thousand is explained by a positive foreign exchange gain (+€5,000 thousand compared to -€4,000 thousand in the previous financial year).

The financial result mainly reflects the interest charges incurred during the period, in particular on the Senior credit facility for €(2,800) thousand and the Secondary credit facility for (fully capitalized), as well as the rental expense reclassified as interest charges for €(1,100) thousand following the application of IFRS 16, partially offset by a net foreign exchange gain of €4,800 thousand.

A “technical” profit linked to the two capital increases resulting from the July 2020 debt restructuring was recorded for €134,921 thousand. This is the application of IFRIC 19, which reflects in the consolidated income statement the difference between the book value of the capitalized debt and the fair value of the shares issued (difference between the fair value of the 81,124,722 new shares issued on the day of the capital increase, i.e. €57.6 million based on a share price of €0.71, and the net book value in the balance sheet of the extinguished liability).

The financial result amounted to €134,156 thousand as of March 31, 2021.

- *Consolidated net income*

The net income was €122,665 thousand for the financial year ended on March 31, 2021 compared to €(95,051) thousand for the previous year.

The net income - Group share amounted to €122,606 thousand compared to €(95,049) thousand in the 2019/2020 financial year.

8 CASH AND EQUITY

8.1 General information and information about the Company's equity

As of the filing date of the Universal Registration Document, the Company's share capital totaled €41,514,758.54 (divided into 122,102,231 ordinary shares with a par value of €0.34 each, all of the same category and fully paid-up).

Following the capital increases on July 28, 2020, the share capital increased from €13,932,353.06 to €41,514,758.54, and the number of shares from 40,977,509 to 122,102,231.

For a description of the consolidated equity as of March 31, 2020, please refer to the notes to the consolidated financial statements as of March 31, 2020 in Appendix 1 of the Universal Registration Document.

The Group's cash requirements are covered by its operating cash flows, as well as traditional bank loans, particularly a new line of credit for \$100 million set up by Vine to fund future productions, as well as overdrafts and specialized production loans.

The previous revolving principal credit line enabling it to raise credit related to contracts expired on October 21, 2019 and under the safeguard plan, approved by the Commercial Court of Bobigny on July 24, 2020, reviewed on March 16, 2021, it must be repaid over nine years (as opposed to seven years previously).

The Group's increasing ability to self-finance (operating cash flow) over the past few financial years reflects its ability to provide additional funding structurally through its operations, which has enabled the Group to finance the growth of its activities and new investments. Apart from annual profit (loss), the restatement of amortization for the financial year is the other major element in the calculation of operating cash flow. Since the annual amortization is determined according to the ratio "net receipts for the year/estimated total net revenues", operating cash flow increases even more because the share of net revenue from films (and thus the corresponding amortization for the financial year) is high relative to future income assumptions.

Scheduling the release of "big-budget" films during the financial year can nonetheless influence the change in the working capital requirement at year-end, since the share of uncollected export revenue made from one year to another is even stronger because the release of the latest film internationally is close to the end of the year.

8.2 Comments on the consolidated cash position and consolidated equity of the Group under IFRS for the financial years ended March 31, 2020 and March 31, 2021

8.2.1 Consolidated cash flows

The table below shows the consolidated cash flows generated by the Group for the financial years ended March 31, 2020 and March 31, 2021.

Year Ended March 31,

<i>(amounts in thousands of euros)</i>	2021	2020 (restated)	2020 (published)
Operations			
Net income - Group share without discontinued operations	122 606	(95 049)	(95 049)
Net income - Minority share	59	(2)	(2)
Depreciation and amortization	15 951	43 396	43 396
Unrealised gains and losses relating to changes in fair value	(134 921)	-	457
Change in the fair value of securities-related liabilities	-	-	-
Capital gains or losses on the disposal of assets	0	-	-
Share of income from associates consolidated using the equity method	(576)	827	827
Income and expenses due to share-based payments and similar	-	-	-
Operating cash flow after net financial debt cost and taxes	3 120	(50 828)	(50 371)
(Income from financial investments) / Cost of financial debt	4 306	21 035	21 035
Taxes (Income) / Cost	0	8	8
Operating cash flow before net financial debt cost and taxes	7 426	(29 785)	(29 328)
Change in working capital requirement :			
Inventory	41	354	354
Trade accounts and notes receivable	26 752	33 510	33 510
Deferred costs	(1 056)	845	845
Trade notes and accounts payable	(25 321)	35 567	35 567
Deferred income	(4 963)	(9 619)	(9 619)
Tax paid	-	-	-
Net cash flow from operations	2 877	30 872	31 329
Investment activities			
Acquisition of intangible assets	(495)	205	205
Acquisition of other intangible assets	0	(2)	(2)
Acquisition of property and equipment	0	70	70
Income on disposal of intangible assets and property, plant and equipment	1 500	0	0
Net change in financial assets	588	(123)	(123)
Change in liabilities on long-term investment	-	0	0
Change in minority reserves	-	-	-
Impact of the changes in the scope of consolidation	-	-	-
Net cash flow from investment activities	1 593	150	150
Financing activities			
Dividends paid	-	-	-
Increase in capital	-	-	-
Capital increase expenses	-	-	-
Net increase in bank borrowings and overdrafts	2 964	21 863	21 863
Net decrease in bank borrowings and overdrafts	(1 680)	(48)	(48)
Decrease in lease liability	(3 003)	(7 475)	(7 475)
Net change in treasury shares	(25)	53	53
Interest expenses paid	(3 151)	(18 714)	(18 714)
Interest income received and net gain/loss from disposals	148	178	178
Net cash flow from financing activities	(4 747)	(4 143)	(4 143)
Overall change in cash position	(277)	26 879	27 336
Incidence of foreign exchange rate change	(3 111)	457	0
Opening cash position	50 246	22 909	22 909
Cash position at the end of period	46 858	50 246	50 246
broken down into:			
Marketable securities	658	678	678
Cash and cash equivalents	46 294	50 002	50 002
Overdraft	(93)	(435)	(435)

- *Cash flows from operations*

The net cash flows from operating activities decreased to €2,877 thousand as of March 31, 2021, compared with €30,872 thousand as of March 31, 2020.

This decrease of €27,995 thousand is explained in particular by:

- (i) Higher cash inflows from operations in the previous financial year (receipts from the theatrical distribution of the film *Nous finirons ensemble* (*Little White Lies 2*) as well as higher international and TV sales);
- (ii) The payment of significant fees at the end of the safeguard procedure in July 2020.

- *Cash flows from investments*

As of March 31, 2021, net investment cash flows stood at €1,593 thousand versus €150 thousand for the financial year ended on March 31, 2020.

This low amount is due to the absence of “Acquisition of intangible assets” in the last two financial years. As a result of the financial restructuring and the Covid-19 epidemic, the Group has had to delay the start of production of new projects. The health conditions following the end of the safeguard procedure have significantly complicated the organization of production, especially for English-language films with an international footprint. No investment in production was made during the financial year (€(495) thousand compared to €205 thousand during the previous financial year).

They correspond mainly, as of March 31, 2021, to the sale by Digital Factory of its assets held on the site in Normandy, which resulted in a positive flow of €1.5 million.

- *Cash flows from financing*

As of March 31, 2021, net cash flows from financing activities stood at €(4,747) thousand, versus €(4,143) thousand as of March 31, 2020. This amount includes, in particular, the repayment of rental debts totaling €(3,003) thousand following the application of IFRS 16, versus €(7,475) thousand during the previous financial year.

8.2.2 Debt, borrowing conditions and financing structure

- *Basic needs and financing resources*

The production of films and television series requires significant investments. The Group has had and will continue to have significant capital requirements to fund:

- production costs for feature films and television series;
- participation in coproductions in the form of the payment of contributions to coproductions and minimum guarantee amounts for distributions;
- acquisition of exploitation rights for films not produced by the Company and, as the case may be, acquisition of film catalogs;
- any acquisitions or investment projects.

In light of its development policy, the Group expects that its capital requirements (excluding potential acquisitions) need to be covered by operating cash flows as well as specialty credits and bank loans.

Vine extended a new line of credit capped at \$100 million which, by mutual agreement, can be increased by an additional \$25 million under the Company’s safeguard plan. The bulk of this credit comes directly or indirectly from a new generation of Vine funds (Funds IV), which are separate from the Vine funds that are current shareholders. The remainder of the credit may be awarded by some of the Vine funds.

As of March 31, 2021, no drawdowns had yet been made on this credit line.

The purpose of this credit is to cover the costs associated with producing and funding films, financing fees and interest and any working capital requirements. This new credit line has a five-year term from the date of signature and bears annual interest of 8%. The fees associated with the early refinancing

of this new line in the first 18 months would be 2% of the total line amount. The Borrowing base is the sum of:

- the eligible distribution contracts after applying the standard advance rates applied by credit institutions depending on the distributor in question; plus
- 90% of the tax credits; plus
- 80% (for the “ultimates reports” supplied by an American studio) and 75% (for the “ultimates reports” supplied by the firm FTI) of the share of future receipts (“ultimates”) accruing to EuropaCorp Pictures LLC and estimated for the next four years; less
- the reserves provided for by the credit documentation.

The receipts from each film having been drawn will be allocated to the repayment of the drawdown in question, with any remainder allocated for the repayment of any drawdowns related to the other films financed by Vine. Once all sums owed to Vine have been repaid, any remaining receipts may go back to EuropaCorp (after the deduction of the appropriate amounts of the standard liabilities to be paid to third parties by the parties to the credit line in relation to these films and for sufficient amounts in addition to the reserves required under the credit line).

The standby fees are 1.25% per year on the unused portion of the credit facility and the Company has the option of canceling some or all of the commitments provided it pays any early refinancing fees. The other fees include arrangement fees (1.75%) and an “upfront fee” for each film (1.50%). The Company retains the option to access third-party credit to fund some or all of the costs of film-making without the consent of the lenders, provided that the rights to these films are transferred to EuropaCorp Pictures LLC, and that this lending is secured only by different collateral to those of the lenders under the new Vine credit agreement.

This credit line is secured as follows:

- first-line securities on all EuropaCorp Pictures LLC assets (including the securities of the subsidiaries of this company);
- pledging (or equivalent) of receivables having been anticipated in the Borrowing Base;
- pledging of EuropaCorp Finance LLC securities.

When all sums due under the Vine credit line have been repaid, the distribution rights to the films financed by Vine may be freely transferred to EuropaCorp (with the exception of the rights to the most recently produced film).

There is also provision for a “Golden Share” mechanism to be issued by EuropaCorp Pictures LLC which would allow Vine to take control of this company were any of the events stated in the credit documentation to occur.

To facilitate financial flows and streamline cash management between EuropaCorp and its subsidiaries, a cash pooling agreement was signed by EuropaCorp, EuropaCorp Home Entertainment, EuropaCorp Distribution, EuropaCorp Music Publishing, Intervista, Dog Production, EuropaCorp TV, Ydéo, Blue Advertainment, EuropaCorp Television, Roissy Films, EuropaCorp Aéroville, Blue Event, Digital Factory, Cipango Music, Valérian SAS, Orchestra and T5 Production. Under the terms of the agreement, EuropaCorp centrally coordinates cash requirements and surpluses for its subsidiaries more than 90% owned and is responsible for (i) granting advances to its subsidiaries and receiving advances from them, (ii) negotiating all short-term banking overdrafts and taking out any loans, and (iii) making all investments.

- *Group debt*

The Group’s net debt was €43,625 thousand as of March 31, 2021, compared to €152,605 thousand as of March 31, 2020. Consolidated net debt decreased significantly due to the capital increase carried

out in July 2020 reserved for the Vine funds, then the Company's main creditor, by offsetting with the Mezzanine debt for a total amount of €115,302 thousand.

A breakdown of the Group's consolidated net debt as of March 31, 2020 and 2021 is given in Section 3.12 of Appendix 1 of this Universal Registration Document.

As of March 31, 2021, the Group's debt mainly consisted of:

- Revolving credit facility agreement of October 21, 2014

Since October 21, 2014, the Group has had a successively renegotiated principal revolving credit facility enabling it to mobilize receivables related to contracts for a maximum amount of \$190 million.

This credit line was arranged by JP Morgan as Agent and Senior Bookrunner, SunTrust and OneWest Bank as Associate Bookrunners and co-arrangers. The credit line has been syndicated with major banks, notably the French banks Natixis, Banque Palatine, Arkea Banque Entreprises et Institutionnels, and BRED Banque Populaire.

The principal credit line bears interest, for loans granted in euros, at the EURIBOR rate plus a bank margin of 3.25% and, for loans granted in dollars, either at the LIBOR rate plus a bank margin of 3.25%, or the Alternate Base Rate plus a bank margin of 2.25%.

As of March 31, 2021, €85.6 million had been drawn against this principal credit line.

This line of credit was to be repaid after a period of five years, i.e. no later than October 21, 2019. Owing to the safeguard procedure being initiated against the Company on May 13, 2019, the repayment of debts has been frozen pending the adoption of the safeguard plan. The safeguard plan approved by the Commercial Court of Bobigny on July 24, 2020, approved the repayment of outstandings over a seven-year period: Following the request relating to the impact of Covid-19 on the Company, presented to the Commercial Court of Bobigny in December 2020, which granted it on March 16, 2021, an extension of two additional years was obtained, so that the total duration of the safeguard plan is now nine years from July 24, 2020, implying the following new payment schedule:

Year	1	2	3	4	5	6	7	8	9
% repayment	5.8%	11.8%	10.6%	6.7%	12.4%	12.4%	12.1%	14.6%	13.6%

As security for these credit lines, EuropaCorp and some of its subsidiaries (Blue Advertainment, Digital Factory, EuropaCorp Distribution, EuropaCorp Home Entertainment, EuropaCorp Music Publishing, Roissy Films and Ydéo) granted first-line guarantees on all of their assets, and notably the pledge of financed assets, as specified in the notes to the consolidated financial statements (Appendix 1), to the exclusion of any other guarantee. In accordance with the safeguard plan, EuropaCorp Music Publishing and Roissy Films have been transferred to all assets (see Section 6 of the Universal Registration Document).

8.2.3 Capital use restrictions that may affect the operations of the Company and the Group and other restrictions

Overall, the credit line agreements EuropaCorp entered into include clauses giving lenders and/or the agent certain rights (for example, the need to obtain their advance approval), particularly in the event of a change in control.

The credit line agreements entered into by EuropaCorp generally have the usual commitments and

limitations in terms of financing as those applying to the actions of EuropaCorp and its subsidiaries for insurance, debt, provision of guarantees and collateral, sale of assets, etc. More specifically, they provide for the early maturity of the amounts due by EuropaCorp, as is usually the case for this type of contract: failure to pay by the due date, non-compliance with financial commitments, inaccurate disclosure or material contract breach, insolvency proceedings, etc.

Furthermore, contracts relating to other methods of financing (including Dailly-type arrangements) also stipulate a series of events that can result in the early repayment of the outstanding credit owed by the Company: such as default by a counterparty, cessation of film production, and insolvency proceedings.

8.2.4 Off-balance sheet commitments

The off-balance sheet commitments, excluding pledges of assets (notably the pledges and delegations of receipts on credit lines referred to in Appendix 1 of the Universal Registration Document), as of March 31, 2021 related to the Group's current activity are summarized below:

Commitments received by EuropaCorp (in thousands of euros)	03/31/2021	03/31/2020
Commitments received from clients		
<i>For the cinematographic business</i>	2,240	2,963
<i>Support funds for audiovisual activities</i>	2,105	2,105
Financial commitments for leases*	4,754	6,339
Total commitments received	9,099	11,407

* Relates to the sub-lease agreements for the La Cité du Cinéma business park.

Commitments made to third parties (in thousands of euros)	03/31/2021	03/31/2020
Financial commitments for leases** ⁸	0	0
Vine Participation ⁹	0	0
Financial commitments for cinematographic investments	0	0
Total commitments made	0	0

** Relates to the lease agreement for the La Cité du Cinéma business park, with a term of 12 years starting on April 6, 2012.

Total net commitments (received - made)	9,099	11,407
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⁸ Commitment recognized in debt as of March 31, 2020 and 2021 following the application of IFRS 16.

⁹ Commitment recognized as debt as of March 31, 2020.

9 REGULATORY ENVIRONMENT

9.1 *Film industry sector regulations*

The film industry sector is subject to specific European and French regulations.

In France, the French National Center for Cinema and the Moving Image (Centre national du cinéma et de l'image animée - CNC), a public administrative establishment placed under the authority of the Ministry of Culture and Communication, has powers of regulation and control over the activities of the industry. It issues licenses to companies belonging to one of the branches of the film industry so that they can exercise their profession and controls operating receipts from works screened in theaters or in video format. The CNC also manages programs of assistance to the film industry.

9.1.1 Relations between cinema and television on-demand audiovisual media services publishers (or "SMAD")

- *Contribution to the development of the production of cinematographic works*

French law requires television stations to contribute to the development of the production of cinematographic works. To do this, they must devote a percentage of their revenue or resources (which vary depending on the type of services published) to the acquisition of broadcasting rights or investment in production for the financing of European or French cinematographic works.

All channels, regardless of their linear format (terrestrial, DTT, cable, or satellite) whose primary purpose is not the distribution of cinematographic works that broadcast at least 52 feature-length cinematographic works a year (or more than 104 broadcasts or rebroadcasts) must invest a minimum of 3.2% of their net revenue for the previous year in European films, of which 2.5% must be earmarked for original French-language films. The expenses taken into account to meet this obligation are advance purchases of broadcasting rights, investments in producer's shares, and the budget set aside for theater distribution. Further, three-quarters of these expenses must be earmarked for independent production, according to specific criteria that include the ways in which the work is to be exploited and the equity holding relations between the channel and the production company.

For its part, Canal+ must invest a portion of its total annual resources for the current financial year in film acquisitions, of which 12% goes to European films and 9% to original French-language films. The channel must also comply with a diversity clause, which reserves a portion of its investment for low-budget films.

With regard to cable, satellite, and DTT movie channels, their purchases of broadcasting rights must represent the following proportions of their annual total funds for the current financial year: 21% for European works (26% for a first-run movie service) and 17% for original French-language works (22% for a first-run movie service). Like Canal+, their agreement must contain a diversity clause. A large part of this investment (75% for cinematography) must also benefit productions made by independent producers.

Through the Orange Cinéma Séries entity, Orange signed an agreement with professional film organizations (APC, API, SPI and UPF) on July 17, 2015. Under the terms of this agreement, 27% and 22% of total Orange Cinéma Séries funds must be devoted to the acquisition of feature-length European and original French-language cinematographic works respectively.

Publishers of on-demand audiovisual media services (SMAD), comprising pay-per-view or free video-on-demand services, and catch-up television services (e.g. Netflix, Amazon Prime Video, Disney+, etc.), have since been subject to some of the obligations applicable to television publishers.

Pursuant to Decree No. 2010-1379 of November 12, 2010, SMADs contribute to the development of audiovisual and film production through obligations to contribute to the production of on-demand audiovisual media services.

Since July 1, 2021, Decree No. 2021-783 of June 22, 2021 (transposing Directive (EU) No. 2018/1808 “*Audiovisual media services*” of November 14, 2018), lays down the rules applicable to the contribution to the production of European cinematographic and audiovisual works and to the exhibition of these same works, and to advertising, sponsorship and teleshopping. It replaces the abovementioned Decree No. 2010-1379 of November 12, 2010 which is now repealed.

With regard to the rules for contribution to production, it is applicable to both SMADs falling within the jurisdiction of France and to foreign SMADs in France.

Subscription services must devote at least 20% of their revenue each year in France to the development of the production of European or original French films and audiovisual works. This rate will be increased to 25% when they offer one or more films less than 12 months after their release in theaters in France. The distribution of this contribution will be fixed by the agreement concluded with the CSA without the share for audiovisual or cinema being less than 20% of the total contribution.

This contribution may take the form of purchases of operating rights, investments in producer shares under certain conditions, financing of writing and development work, adaptation to people with disabilities or financing for the dubbing, subtitling, promotion etc.

These measures should significantly increase funding for European and French audiovisual and film production and should be supplemented by a reform of the funding obligations applicable to television services and a modernization of the media chronology.

- *Broadcasting obligations for cinematographic works*

Television publishers are also in principle required, even during prime-time hours, to set aside at least 60% of the annual total number of broadcasts and rebroadcasts of feature-length cinematographic works for the broadcasting of European works, of which at least 40% must be original French-language works.

These mechanisms explain the essential role played by television channels in the financing of French films. In 2020, the investments by television channels in the financing of French films (pre-purchases and contributions to coproduction) declined by 23.4% to €201.6 million. Nevertheless the share of financing provided by television channels increased from 29.1% in 2019 to 31.3% in 2020.

Source: CNC – Bilan 2020

9.1.2 French subsidy mechanisms for the film industry

9.1.2.1 CNC subsidy mechanisms

In France, film industry aid is regulated largely by Decree No. 99-130 of February 24, 1999. The CNC is responsible for the allocation of these various types of aid, which are part of the French audiovisual subsidies levies.

- *Automatic subsidies for film production*

Automatic subsidies for film production is an aid mechanism managed by the CNC that aims to

encourage the production of feature-length films, both French or international coproductions.

Access to automatic financial subsidies depends mostly on the presence, among the producers of the work, of a European producer established in France and of compliance with the criteria required for European qualification of the work. If these two conditions are met, the producer may apply for an approval on the basis of which the work will be granted the benefit of automatic financial subsidies.

Any approved work has access to automatic financial subsidies, both to generate the financial subsidies registered in the producers' account for the work and to allow the investment in that same work from the subsidies generated by the exploitation of earlier works. At the approval stage, however, the film only has potential automatic financial subsidies: this will be generated in proportion to how well the film is received by the public. The financial subsidies granted by the CNC is proportional to the receipts from the film produced by the production company. It is only granted once the film is already being exploited. Accordingly, in practice, an approved film can benefit from automatic subsidies that go to the company for earlier works and moreover increase the rights of the company to benefit from subsidies for approved future works.

Then, once approval is obtained, the film generates financial subsidies on the basis of the results not only of its cinema release, but also of its television broadcasting and video performance.

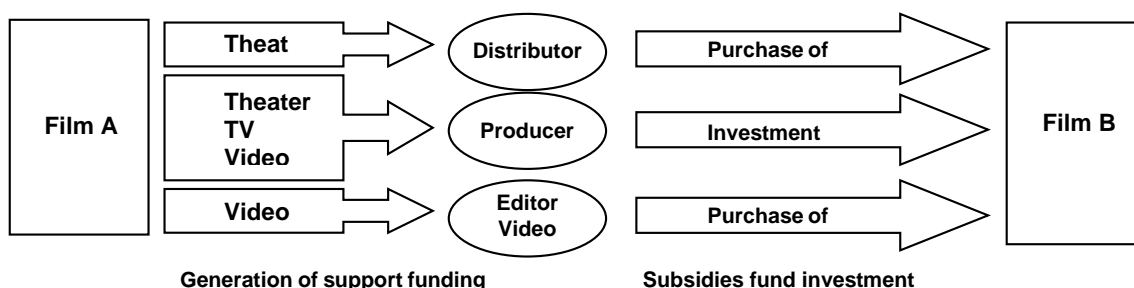
The amounts due for automatic financial subsidies are deposited in the account opened with the CNC in the name of the recipient production companies. They can be mobilized by the producers for the production of new feature-length films that have received approval for investment by the CNC, within a period of five years from January 1 of the year following the one in which they were calculated.

The films eligible for support mechanisms will continue to receive them, in particular those produced by LBP that the Company chooses to distribute.

- *Other automatic subsidies*

Other automatic subsidy mechanisms are granted to theater operators, distributors, and video publishers. EuropaCorp Home Entertainment and EuropaCorp Distribution benefit within this framework of this automatic subsidies.

Summary diagram



Films A and B must have been approved by the CNC

In 2017, the CNC also set up new automatic subsidies funding for the international promotion of films, for the benefit of international sales agents. The subsidy is generated upon the first theater admission for any film eligible in one of the 55 territories within the world regions used to calculate the subsidy. EuropaCorp, whose films generally play well internationally, as in the case of *Valerian*

and the *City of a Thousand Planets* with over 30 million admissions abroad, was able to qualify for this subsidy.

During the financial years ended March 31, 2019, 2020 and 2021, the Group recognized the amounts generated by automatic subsidies funding (excluding COSIP) as revenue, for €3.1 million, €1.1 million, and €0, respectively.

In fact, following the capital increases and the change of majority shareholder, the Company may continue to benefit only from the “Distributor” subsidy.

9.1.2.2 *Tax support mechanisms*

There are two main tax incentive mechanisms for film production: a tax credit mechanism subject to certain conditions and the creation of companies for the financing of the film and audiovisual industries (Sofica), which allow advantageous financing to be obtained.

- *The film tax credit*

The tax credit mechanism is eligible for the production companies which have to pay corporate taxes and which produce fictional, documentary and animation full-length feature films which (i) are mainly French-speaking films, (ii) obtained both the investment and the production CNC agreements, (iii) are mainly created on French soil and (iv) contribute to the development and the diversity of the French and European cinema creations. An agreement process by the CNC must be initiated to benefit from the tax credit.

The tax credit is 30% of the eligible expenses and cannot be more than 80% of the film budget. Since January 1, 2016, this amount has been capped at €30 million. In the financial year ended March 31, 2020, the Company received no cinema tax credits and €2,385 thousand was recognized in the consolidated financial statements as a deduction from cost of sales and on a prorata basis of the economic amortization of the films for which the tax credits were granted.

As developed by the French Federation of Cinema, Audiovisual, and Multimedia Industries (FICAM) and the Commission Nationale du Film France, the project for the creation of a tax credit for international productions was adopted in December 2008 by the French Parliament and approved by the European Commission in July 2009. The implementing decree for the international tax credit was published in the Official Gazette on September 12, 2012. The decree was subsequently amended with effect from January 1, 2016. The tax credit is for a line producer established in France who creates a cinematographic work in France produced by foreign producers and contributes to the production of foreign works not eligible for funding managed by the CNC.

This tax credit whose size depends on the level of spending on French territory gives the claimant a corporate income tax deduction or a refund. The amount of the public aid corresponds to 20% (30% from January 1, 2016) of the eligible expenditures, which are capped at €20 million (€30 million from January 1, 2016). The eligible expenditures may not exceed 80% of the budget, and the public aid may not exceed 50% of the budget.

This tax credit applies to expenses incurred after January 1, 2009, subject to provisional approval before the initial expenditures followed by final approval within 12 months of the last work on the film performed in France.

- *Soficas*

Soficas are French corporations subject to corporate tax under the conditions of ordinary law whose

exclusive activity is the capital financing of cinematographic or audiovisual works approved by the CNC.

The financial commitment of Soficas in cinematographic or audiovisual works approved by the Ministry of Culture may take the form of subscriptions to the capital of companies whose exclusive activity is the creation of cinematographic or audiovisual works or of cash payments made through a partnership agreement with the production.

In the second case, the conditions under which they are associated with the financing of a cinematographic or audiovisual work are restrictive: in exchange for their contribution, they acquire rights to the receipts from the exploitation of a cinematographic or audiovisual work. However, Soficas do not enjoy any exploitation rights for a work and cannot benefit from the French government's financial subsidies plan for the film and audiovisual industry.

The tax deduction that makes Soficas so attractive guarantees that they will collect funding annually.

- *European tax incentive mechanisms*

Aid mechanisms equivalent to those implemented in France (tax credits) exist in some European countries and are generally subject to certain coproduction and location-related criteria for a portion of the production expenses for the film in the country in question. On a case-by-case basis, the Group may be able to take advantage of these aid mechanisms and has already done so in the past, notably in Belgium and the United Kingdom.

9.1.3 French subsidy mechanisms for the audiovisual industry

- *The COSIP*

In France, the CNC manages the audiovisual programming industry subsidies account (COSIP), which was created in 1986 and is governed by Decree no. 95-110 of February 2, 1995 and Decree no. 95-35 of January 14, 1998 amended. The purpose of these accounts is to promote the production of audiovisual works by production companies established in France that are intended for broadcast on French television channels.

Access to automatic financial subsidies is mainly contingent on the fact that projects must have contributions from French broadcasters at least equal to 25% of the French share of funding and be composed of a cash portion greater than €9,000 per hour. The aid granted by a COSIP is calculated based on the duration of each program. During the financial year ended March 31, 2020, the Group, which no longer produces French-language television series, has not recognized any revenue from the COSIP.

- *The audiovisual tax credit*

As with the film tax credit, the audiovisual tax credit allows a production company to deduct, under certain conditions, 20% of so-called eligible production expenses from its taxes, and it is capped at €1,250 per minute (for a work of fiction). During the 2019/2020 financial year, the Group, which no longer produces French-language television series, did not receive any audiovisual tax credits.

- *Other assistance mechanisms*

Producers of audiovisual works may also, under certain conditions, benefit from various aid programs at regional and European levels.

- *Obligations of television channels in the broadcasting of audiovisual works*

As for cinematographic works, French television channels are subject to obligations laid down by the French broadcasting regulator, le Conseil Supérieur de l'Audiovisuel (CSA), for broadcasting, the purpose of which is to subsidize French programs.

9.1.4 Changes to French and European subsidy policies

The French regulatory system and to a lesser extent the European system bring significant benefits to the Group. For example, the requirement for French television channels to buy and distribute a minimum amount of French-language content and content produced in Europe helps bolster demand for the Group's films, driving pre-sales of broadcasting rights to television channels and contributing to the pre-financing of the films it produces.

The company cannot guarantee that this favorable regulatory environment will continue in the future. Indeed, it is regularly challenged, both internationally by American studios (and more generally in the context of international negotiations on trade liberalization), and at the European level by the European Commission, which controls the proportionality of State aid in relation to compliance with the freedom of establishment and services within the European Union.

However, in the name of diversity and cultural exception, the audiovisual industry was excluded from the scope of trade negotiations between the European Union and the United States in June 2013. To increase the protection for this industry, in November 2013 the European Commission adopted a text affirming the cultural nature of State aid for the film and audiovisual industries and granting an exemption from the rules on liberalization. The system in place to support audiovisual creation is now fully shielded from market liberalization.

However, given its international positioning and the convergence of commercial and creative talent and skills within the Group, it considers itself a little less dependent on the incentives offered under French regulations than the majority of its competitors benefiting from these measures.

9.2 Administrative authorizations

9.2.1 Administrative authorizations related to audiovisual companies

Any company that falls under one of the branches of the film industry cannot conduct business until it is authorized by the CNC to exercise that profession. Regulations also require companies in the film industry not to enter into contracts with another company in the same sector that does not have a professional license.

Through their respective activities, the Company and its EuropaCorp Distribution subsidiary are subject to this licensing scheme:

- since 1992 (when the Company was registered), the Company has been authorized to produce both short and feature-length films;
- since March 2001, EuropaCorp Distribution has been authorized to act as a film distributor for all of France.

Finally, the publishing, reproduction, distribution and sale of video content intended for private use to the public are also regulated and must be declared with the CNC. EuropaCorp Home Entertainment filed this declaration on August 3, 2001, and it has been listed as a publisher and distributor of video content.

The more specific film regulations applicable to films and their approvals by the CNC are described in Section 9.2.2 of the Universal Registration Document.

9.2.2 Administrative authorizations and audiovisual regulations related to films

Any release of a film in a French theater must first be licensed by the Ministry of Culture, on the recommendation of the Film Classification Commission. The Commission recommended to the Minister of Culture that the film be classified in one of the following categories: “general audience” or suitable only for a specific age group: 12 years and over, 16 years and over, and 18 years and over. The Commission’s recommendation is forwarded to the Ministry of Culture, who decides on the film’s classification and issues the license to its distributor.

French television channels have their own guidelines, standardized by the French Audiovisual Board (CSA). These are more detailed than the Commission’s classification (for example, they include a “suitable only for ten years and over” category). Television channels, under the retrospective supervision of the CSA, decide on the film’s classification based on the restrictions imposed when the license was issued.

They must also inform viewers, during any advertising and exploitation of the film, of any restrictions imposed on the film when the license was issued.

Other types of administrative authorization are required during the production of a film, such as investment approval and confirmation that the production is eligible for the CNC automatic production subsidies fund. Finally, films must be recognized as a European work or original French-language work to count towards the broadcasting quotas for French television channels.

The possibility of restricted viewing for certain audiences is factored in by the company when producing or purchasing a film, so as to estimate its commercial potential with its partners and with French television channels in particular. Similarly, the Group’s film production experience and its in-depth knowledge of the regulatory environment of the film industry reduce the risk of the film not receiving CNC approval or not being classified as an original French-language film or European film.

9.3 Management of the release schedule and its future development

The delinearization of the ways in which films are watched (theaters, television, internet, DVD, Blu-ray, smartphone, etc.) has led governments and industry professionals to phase in a new part-regulatory, part-conventional system governing the order in which a film is released in each format, reserving exclusive windows for each one to optimize the profitability of the film’s exploitation (see Section 5.2.1 of this Universal Registration Document for more details).

With the development of new communication technologies (particularly ultrafast internet) and the geographic decompartmentalization of markets, integral to this development, consumers now have access to content streamed to or from other countries. It is not inconceivable that film release schedules will have to evolve in future years, by reducing the exclusive windows or overlapping the exploitation periods. Such changes could lead to a new form of competition between the various distribution channels.

9.4 Regulations on piracy

The piracy of audiovisual products, through illegal DVD or Blu-ray copies or the illegal download of films and audiovisual content, is a phenomenon which has grown considerably over recent years,

with higher-speed Internet connections. The digitization of content effectively facilitates the creation, transmission and sharing of high-quality illegal copies. The proliferation of such unauthorized copies has had, and will certainly continue to have, an unfavorable impact on the Group's business and results, as it reduces revenue generated by movie theater admissions and the sale of authorized videos. This could thus affect the Group's operating results and financial position.

To combat this phenomenon, the Group has set up and implemented an active anti-counterfeiting policy, by marking the copies of the films supplied to movie theaters in France and abroad, by securing the transport of hard copies intended for operators, and by increasing the proportion of films delivered via secure digital files in order to limit the number of hard copies. In addition, the Group has also introduced special computer technology to prevent the unauthorized downloading of digital files by peer-to-peer file sharing, direct downloads or streaming, either by preventing them from appearing on unauthorized sites (filtering technique using digital signatures), or by removing unauthorized files detected electronically. To this effect, the Group's Internet protection measures are now applicable "lifelong," from the moment a film is covered; this protection is systematic for all of the Group's new films. The Group's VOD policy consists in only granting film exploitation rights to VOD platforms which, as confirmed by the Group beforehand, implement efficient measures to combat counterfeiting and film piracy on the Internet.

Any relaxation of this regulatory framework when powers are transferred from the French High Authority for Audiovisual and Communications (Hadopi) to a new body, as ratified by the French National Assembly on April 28, 2016 and due to take effect on February 4, 2022, could have negative consequences for all industry stakeholders, and therefore for the Group.

However, a recent study by Médiamétrie, showing a historic drop in the number of pirated films, series or sporting programs, at the same time as an increase in legal offerings, suggests that the recent development of SVOD platforms (Netflix, Amazon, Disney+, etc.) might stem the progression of piracy. The average number of internet users using illegal streaming or download sites on computers, mobiles or tablets decreased by 23% between 2018 and 2019, which is "unprecedented" according to Bertrand Krug, Head of the Internet Department at Médiamétrie. Specifically, their numbers decreased from 15.4 million on average in 2018, to 11.8 million in 2019, i.e. a little less than a quarter of internet users. In 2019 alone, they decreased even more markedly: from 14.5 million in January to 9.5 million in December.

Source: Les Echos - *Baisse historique du nombre de pirates dans l'audiovisuel*

According to the CNC-Médiamétrie-ALPA study, this figure concerning the average audience of illicit websites stood at 10.1 million for the year 2020 (at the end of November).

10 TREND INFORMATION

10.1 Main trends since the beginning of the current financial year

During the safeguard period, the Company had to postpone the production of films and TV series. However, development continued and when the safeguard plan was approved on July 24, 2020, the Company had several film and television series projects ready to go into production as soon as the associated financing could be secured.

However, the recovery of the Group's activity was strongly impacted throughout the year by the health crisis linked to the Covid-19 pandemic.

The health crisis has had numerous consequences on French film production in 2020: filming suspended from March 17 to May 11, 2020, limitation of international coproductions (in particular due to travel constraints for film crews) and closure of cinemas for 162 days. The CNC noted that the number of films produced in 2020 was the lowest in ten years ("*Film production in 2020*," Les Etudes du CNC, March 2021).

While taking into account the evolution of the market and these exceptional circumstances, the Company continued to develop content corresponding to the types of films and television series that made the Group successful.

The Group is also developing docuseries with three main focuses that correspond to the DNA of EuropaCorp and its founder Luc Besson:

- The environmental cause;
- Urban territories;
- The world of cinema.

However, at the date of publication of this Universal Registration Document, the Group plans to resume production of its projects.

The Company notes that, generally speaking, due to the nature of its businesses and the release schedule for cinematographic works, it may experience significant fluctuations in its revenue and its quarterly or semi-annual earnings and that the revenues and earnings generated for a given quarter or half are therefore in no way indicative of the Group's annual revenue and earnings.

10.2 Trends, uncertainties, constraints, commitments or events liable to have a material impact on the Group's outlook

As of the filing date of this Universal Registration Document, the Group considers that the Covid-19 epidemic may result in delays in the production and/or release in theaters of any films on which the Company begins production.

The Company is also expecting a decrease in footfall in theaters owing to the strict health conditions that the government may introduce as part of its management of the health crisis.

11 PROFIT FORECASTS OR ESTIMATES

11.1 Published estimate or forecast

As part of its restructuring plan approved by the Commercial Court of Bobigny, EuropaCorp has drawn up a business plan comprising financial objectives over a six-year period.

This forward-looking information is subject to numerous factors (particularly related to the market or the commercial success of films) and as such may change at any time and, as a consequence, EuropaCorp's actual results may differ significantly from those presented in the forward-looking information. The elements of the business plan submitted as part of the safeguard plan are based in particular on assumptions made by the Company and on assessments of the market environment. Although EuropaCorp believes that the information presented in this document is based on reasonable assumptions, it is very difficult to foresee the impact of certain factors and impossible to anticipate all factors that could affect the financial projections.

For example, the occurrence of the Covid-19 pandemic hindered the resumption of the Group's productions at the end of the safeguard procedure and postponed the assumptions of the previous business plan. A new business plan was therefore drawn up and presented to the Commercial Court of Bobigny on December 14, 2020 by the commissioners for the execution of the Company's safeguard plan, who also requested an extension of the duration of EuropaCorp SA's safeguard plan for a period of two additional years. The Court granted this request on March 16, 2021.

The other material factors that may cause the actual results to diverge significantly from the Company's objectives include but are not limited to: (i) the ability to implement the restructuring plan, (ii) risks relating to the film industry and, in particular, the uncertain nature of the commercial success of films and their impact on revenue, (iii) increased costs of implementing the restructuring, and (iv) the risks stated in its periodic reports and financial statements filed with the French Financial Markets Authority (*Autorité des marchés financiers* - AMF) (see particularly Section 3 of this Universal Registration Document).

The Company operates in a highly competitive and rapidly changing sector; as such it may not be in a position to anticipate all risks, uncertainties or other factors liable to affect its business, their potential impact on its business or the extent to which the materialization of a risk or combination of risks may entail results that are materially different from those stated in any forward-looking information, bearing in mind that none of this forward-looking information constitutes a guarantee of actual results.

As such, investors are asked to take into account the fact that this forward-looking information, which has been produced for the purpose of drafting the restructuring plan, must not be interpreted as a guarantee that the facts and data stated will be realized since these are liable to change owing to the uncertainties around the economic, financial, competitive and regulatory environment in particular, which could lead to materially different results to those described, sought or anticipated.

The latest business plan, revised due in particular to the delays related to the extension of the Covid-19 pandemic, is as follows (in millions of euros):

Financial year ended 03/31 (€m)	2022	2023	2024	2025	2026	2027
Revenue	35.2	94.4	127.0	152.9	144.5	141.8
EBITDA	12.1	71.9	101.7	121.4	113.9	110.2
EBIT	1.0	18.3	17.0	38.3	29.3	23.8
Net income	(2.7)	13.8	14.2	32.2	24.9	21.6

The above figures include the following main assumptions:

- The business plan assumes i) a 2021/2022 financial year with the resumption of filming but no significant release of new films due to the Covid-19 epidemic, which has reduced the ability to resume international productions, ii) two films and a television series are planned for the 2022/2023 financial year, iii) three films per year should be distributed as from the 2023/2024 financial year;
- The general and administrative expenses are expected to remain at around €16 million, following the actions taken during the financial year to reduce fixed costs and notably the renegotiation of the lease terms of the premises used by EuropaCorp within La Cité du Cinema;
- The financial expenses should be normalized following the conversion into capital of the Mezzanine debt in July 2020 (reduction of €14 million in interest on this debt during the 2020/2021 financial year).

11.2 Statement

In accordance with Regulation no. 2019/980 of March 14, 2019, the Company hereby declares that the assessment published and reproduced in Section 11.1 of this Universal Registration Document has been prepared on a basis that is comparable with the historic financial information and in line with the Company's accounting methods.

12 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

To best adapt the Company's management structure to its situation and use the flexibility that the management of a listed Company requires, the Ordinary General Meeting of September 16, 2008 opted for the corporate form of a public limited company (*société anonyme*) with a Board of Directors, which is more consistent with the needs and imperatives related to the Company's business. The Board of Directors also decided to separate the functions of Chairman of the Board of Directors and Chief Executive Officer at its meeting of October 23, 2008.

A description of the main provisions of the Articles of Association relating to the Board of Directors, including its operations and powers, are contained in Section 14 of the Universal Registration Document.

12.1 Composition of the Board of Directors and Senior Management

12.1.1 The Board of Directors

a) About the Board of Directors

At the General Meeting of April 28, 2020 called to discuss the capital increases reserved for the Vine and Falcon funds, shareholders were notified of the resignation of Charles Milhaud, Patrice Gassenbach, Didier Kunstlinger, Virginie Besson-Silla, Lisa Leboff, Coralie de Fontenay, and Rhyzlène Nusse, from their positions on the Board of Directors subject to the payment and delivery of new ordinary shares in the Company arising from the capital increases on which this Meeting voted.

The shareholders approved the appointment of four new directors - Mr. James Moore, Ms. Deborah Carlson, Ms. Alexandra Voss and Ms. Jane Majeski - which was also set to take effect on the date of the settlement-delivery of the said new shares on July 29, 2020.

The Annual General Meeting of September 28, 2020, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the report of the Board of Directors, decided to appoint Axel Duroux as a director of the Company. This four-year term of office took effect on September 28, 2020 and will expire at the end of the General Meeting called to approve the financial statements for the year ending on March 31, 2024.

Ms. Jane Majeski, who has since passed away, was forced to resign for health reasons.

Consequently, as of the filing date of this Universal Registration Document, the composition of the Board of Directors has changed to reflect the new majority shareholders and the following persons now sit on the Company's Board of Directors:

First name, last name, age and professional address	Position held	Date of appointment - Term ends	Other positions held within the Group	Number of Company shares held
Luc Besson ⁽¹⁾ 62 years 20 rue Ampère 93200 Saint-Denis	Chairman of the Board of Directors	September 28, 2020 - GM 2024 ⁽²⁾	– Artistic Director	4,035
James Moore 63 years 20 rue Ampère 93200 Saint-Denis	Member of the Board of Directors	April 28, 2020 ⁽³⁾ - GM 2024 ⁽²⁾	– None	1
Deborah Carlson 63 years 20 rue Ampère 93200 Saint-Denis	Member of the Board of Directors	April 28, 2020 ⁽³⁾ - GM 2024 ⁽²⁾	– None	1
Alexandra Voss 33 years 20 rue Ampère 93200 Saint-Denis	Member of the Board of Directors	April 28, 2020 ⁽³⁾ - GM 2024 ⁽²⁾	– None	1
Axel Duroux 58 years 20 rue Ampère 93200 Saint-Denis	Member of the Board of Directors	September 28, 2020 - GM 2024 ⁽²⁾	– Chief Executive Officer	132,000

⁽¹⁾ Luc Besson controls Front Line, which owns 15,596,191 EuropaCorp shares.

⁽²⁾ Until the end of the General Meeting to be held in 2024 and called to approve the financial statements for the year ending on March 31, 2024.

⁽³⁾ The appointment took effect on July 29, 2020.

On the date of filing of this Universal Registration Document, the Board of Directors has five members.

The Company ensures compliance with the applicable legal obligations in effect relating to gender equality, it being noted that the proportion of women to men on the Board of Directors is at least 40% following the first Ordinary General Meeting after January 1, 2017.

Since the resignation of Ms. Jane Majeski and the appointment of Mr. Axel Duroux, it has stood at 40%.

b) Biographies of the members of the Board of Directors

Mr. Luc Besson, Chairman of the Board of Directors and Artistic Director

Luc Besson had several jobs in the film industry in France and the United States before he started his career as producer and director in the early 1980s.

To date, Luc Besson has directed 16 feature films, including *Subway* (1985), *The Big Blue* (1988), *Nikita* (1990), *The Professional* (1994), *The Fifth Element* (1997), for which he received a César award for Best Director in 1998, the animation *trilogy Arthur & the Invisibles* (2006, 2009 and 2010), *Malavita (The Family)* (2013), *Lucy* (2014), the biggest worldwide commercial success for a French film to date, *Valerian and the City of a Thousand Planets* (2017) and *Anna* (2019). In May 2000, Luc Besson chaired the jury of the Cannes Film Festival, thus becoming the youngest person to chair the jury in the festival's history.

Luc Besson has also directed a number of music videos (for Mylène Farmer and Serge Gainsbourg,

among others), as well as numerous commercials for world-renowned companies (including L'Oréal, Chanel, Evian, Estée Lauder, and Orange), most of which, since 1999, were through Dog Productions, a wholly owned subsidiary of EuropaCorp.

Before founding EuropaCorp, Luc Besson set up two production companies: Les Films du Loup, in 1981, with Pierre Jolivet, followed by Les Films du Dauphin, in 1989.

In addition, since 1999, Luc Besson has been a screen writer and producer for several EuropaCorp films. Besides the films he has directed, Luc Besson has written more than 30 feature film screenplays, for which he has been the producer. These include the *Taxi* series, and more recently the *Taken* series, for which the accumulated takings from the three parts to date represent \$928 million worldwide (Source: www.boxofficemojo.com).

In 2015 for the fortieth anniversary of its creation, the Académie des César selected Luc Besson to receive the first gold medal of the French Academy of Cinema Arts and Techniques (Académie des arts et techniques du cinéma), for his artistic and entrepreneurial contribution to French cinema over the last three decades.

James Moore - Director

James Moore began his career at JP Morgan where he spent 16 years working on asset structuring operations and contributing to the creation of over \$20 billion in securities. He then moved to the investment banking sector where he became Client Executive in the Specialist Bank and Financial Companies Department. After joining ABN Amro as head of the Asset Backed Securities Department, for the North America region, James Moore went on to work for the private bank Dresdner Kleinwortens as Director General of the Financial Institutions Department for the Americas region.

James Moore is a founding member of Vine Alternative Investments Group, where he is the current Chief Executive Officer and Managing Partner. He also sits on Vine's investment committee and is responsible for overseeing the company's operations.

Deborah Carlson - Independent director

Deborah Carlson is a graduate of the State University of New York in Albany (United States) and New York University (United States) where she gained a masters in business administration in Finance. She began her career at the Industrial Bank of Japan. After 16 years at Dresdner Bank where she held the positions of First Vice President - Corporate banking then Director of Capital Markets Origination, in 2004 Deborah Carlson joined Lloyds Bank Group PLC as Senior Vice President in charge of US Media and Telecommunications. Since 2016 she has held the position of Director in the Corporate Banking Department of KBC bank in New York (United States).

Alexandra Voss - Independent director

Alexandra Voss is a graduate of Barnard College of Columbia University in New York (United States) where she earned a bachelor's degree in economics and was awarded the "CFA Charterholder" certificate by the CFA Institute. She began her career at BMO Capital Markets in New York (United States) as an Investment Banking Analyst. In 2013 she joined New Holland Capital as a Senior Portfolio Analyst.

Since February 2019 she has been a Director at the Informed Portfolio Management investment fund.

Axel Duroux - Director and Chief Executive Officer of EuropaCorp

Born in Lyon, of French-Swiss nationality, Axel Duroux holds a master's degree in international law and a post-graduate degree in political science. He is also a graduate of the Institut Français de Presse. Axel Duroux began his career as a photojournalist, then a television journalist before heading the press department of IBM France.

He was Chief Executive Officer of Endemol Development and Senior Vice President of Endemol France from 2000 to 2004. He was then Chairman of the Management Board of RTL Radio (France) from 2004 to 2009 and Chief Executive Officer of the TF1 Group until October 2009. He then joined Publicis Group as Executive Vice-President, Head of Emerging and High Growth Markets from 2014 to 2017. Before joining EuropaCorp, and since 2017, Axel Duroux was Senior Partner and Head of the

Paris office of Brunswick Group.

He was also Chairman (2017-2019) and member of the Supervisory Board of EuroDisney from 2013 to 2019, director of INA (Institut National de l'Audiovisuel) and Stereopictures SPK (Korea), and member of the Supervisory Board of the M6 group from 2007 to 2009.

12.1.2 Senior Management

Following the completion of the capital increases reserved for the Vine funds, the Board of Directors of EuropaCorp, meeting on August 8, 2020, unanimously appointed Mr. Axel Duroux to the position of Chief Executive Officer of the Group, on the recommendation of the Compensation and Appointments Committee. He joined EuropaCorp on September 1, 2020. He replaces Luc Besson who will now focus on the arts as Artistic Director, and who had served as Chief Executive Officer for a limited period of time. The Chief Executive Officer may be dismissed at any time by the Board of Directors, in accordance with the Company's Articles of Association.

12.1.3 Other positions and terms of office that are currently held or were held over the past five years outside the Group

First name, last name, age, and professional address	Other mandates and current functions	Other positions and terms of office held over the past five years that have expired
Luc Besson 62 years 20 rue Ampère 93200 Saint-Denis	Chairman of Front Line SAS Manager of Apipoulai Prod SARL Manager of Block One SARL Manager of Cinégym SARL Chief Executive Officer, Chief Financial Officer, Secretary and Director of Sea Side Production Company Chief Executive Officer, Chief Financial Officer, Secretary and Director of Sea Side Film Company Chairman of LBP Production	Chairman of EuropaCorp Studios Chairman of Mondialum SAS Chief Executive Officer and Director of Sea Side Films Florida Inc. Chief Executive Officer and Director of InterSection Movie Inc. Chief Executive Officer, Chief Financial Officer and Director of Colombiana Inc. Chief Executive Officer and Director of Lock Out Movie Inc. Chief Executive Officer and Director of Taken 2 Inc. Chairman of Malavita Inc.
James Moore 63 years 20 rue Ampère 93200 Saint-Denis	Chief Executive Officer and partner at Vine Alternative Investments Group Member of the Vine Investment Committee	None
Deborah Carlson 63 years 20 rue Ampère 93200 Saint-Denis	Director in the Corporate Banking Department of the KBC bank in New York (United States)	None
Alexandra Voss 33 years 20 rue Ampère 93200 Saint-Denis	Director at the Informed Portfolio Management investment fund	None
Axel Duroux 58 years 20 rue Ampère 93200 Saint-Denis		Chairman (2017-2019) and member of the Supervisory Board of EuroDisney from 2013 to 2019

12.1.4 Statement on the Board of Directors and Senior Management

To the knowledge of the Company,

- No member of the Board of Directors or Senior Management has been convicted of fraud within at least the last five years or have undergone bankruptcy, receivership or liquidation in that same period;
- No member of the Board of Directors or Senior Management has been subject to charges or official public sanctions declared by the statutory or regulatory authorities (including the relevant professional bodies) within at least the last five years; and
- No member of the Board of Directors or Senior Management has been prevented by a court from serving on an issuer's administrative body or being involved in the management or running of an issuer's business within at least the last five years.

12.2 Potential conflicts of interest

The Company has not identified any confirmed or potential conflicts of interest with its corporate officers and directors.

13 COMPENSATION AND BENEFITS

13.1 Interests and compensation of corporate officers and senior executives

13.1.1 Executive corporate officers

During the financial year, and following the completion of the capital increases reserved for the Vine funds, the Board of Directors of EuropaCorp proceeded unanimously, on the recommendation of the Compensation and Appointments Committee, to the appointment of Axel Duroux as Chief Executive Officer of the Group. He joined EuropaCorp on September 1, 2020.

The Board of Directors also unanimously decided, also on the recommendation of the Compensation and Appointments Committee, to separate the functions of Chairman and Chief Executive Officer of EuropaCorp, with Axel Duroux assuming the Senior Management role as Executive Corporate Officer and Luc Besson solely serving as non-executive Chairman of the Board of Directors, in order to focus on the Group's artistic activities as Artistic Director.

As a result, the Group's governance during the financial year ended on March 31, 2021 had two distinct periods:

- from April 1, 2020 until August 31, 2020, a governance body comprising a Chairman and Chief Executive Officer, in the person of Mr. Luc Besson; and
- from September 1, 2020 until March 31, 2021, a governance body consisting of a Chairman of the Board of Directors, in the person of Mr. Luc Besson, and a Chief Executive Officer, in the person of Mr. Axel Duroux.

In addition, the Board of Directors submitted the appointment of Mr. Axel Duroux as Director of EuropaCorp to the General Meeting of September 28, 2020, which approved it.

The compensation paid by the Group to executive corporate officers over the last two financial years is presented in the tables below.

• *Luc Besson*

<i>Compensation of the executive corporate officers</i>				
Luc Besson <i>Chairman of the Board of Directors and Artistic Director</i>	March 31, 2021		March 31, 2020	
	<i>Amounts owed</i>	<i>Amounts paid</i>	<i>Amounts owed</i>	<i>Amounts paid</i>
Fixed compensation ⁽¹⁾	€775,619	€775,619	€1,330,339	€1,330,339
Variable compensation ⁽²⁾	€711,526	€915,731	€527,965	€824,003
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	€867,154	€867,154	€900,934	€900,934
TOTAL	€2,354,300	€2,558,505	€2,759,238	€3,055,276

⁽¹⁾ Including director and screenwriter salaries.

⁽²⁾ Copyrights and director's salary.

Since the 2015/2016 financial year, following the expatriation of the Chairman of the Board of Directors to the United States, a compensation package was approved by the Board of Directors on September 22, 2014. Since that date and until July 28, 2020, Luc Besson receives compensation for his work as Chairman of the Board of Directors (largely paid for by EuropaCorp Films USA Inc.), for which the cost is exactly the same to the Group as it would have been if the annual net compensation, equivalent to €800,000, had been paid in full in France. Since July 29, 2020, Mr. Luc Besson receives a gross annual compensation of \$600,000 (paid by EuropaCorp Films USA, Inc.) for his services as Artistic Director.

Furthermore, several indemnities are paid to Luc Besson (accommodation, school fees, car hire fees, relocation fees and travel costs between France and the United States); these amounts must be grossed-up. Lastly, on his proposal, Luc Besson did not receive any specific compensation for his term of office as Chief Executive Officer, which ended with the arrival of Axel Duroux on September 1, 2020.

The compensation specified above for Luc Besson includes amounts received by him as Chairman of the Board of Directors, as a director of films produced by EuropaCorp and as an author of scripts whose rights have been sold to EuropaCorp. Moreover, in respect of his duties as Chairman of Front Line and Seaside Production during the financial year ended on March 31, 2021, Luc Besson received, respectively, the amount of €60,144 and compensation of \$25,000.

Since the financial restructuring, Luc Besson is no longer the major shareholder of EuropaCorp, which is controlled by the Vine Funds. However, Mr. Luc Besson remains the Chairman of the Board of Directors of the Company and also serves as Artistic Director of EuropaCorp, where he oversees all artistic production and activities, in particular by defining the editorial line and the publication content strategy, as well as by selecting projects.

In this new context, given that the ongoing relationship with Luc Besson is a key factor in finalizing the restructuring, EuropaCorp, LBP and Luc Besson have entered into a cooperation agreement in order to ensure the longevity of their relationship. This commitment is for a five-year period, to be extended automatically for a further two years at the request of the Board of Directors should the Vine funds and affiliates remain EuropaCorp's majority shareholder or should the drag-along or tag-along mechanisms in the shareholders' agreement be exercised at a minimum price of €3.5 per share.

In particular, Luc Besson has committed to working exclusively with EuropaCorp and LBP in his roles as author, director and/or producer for any audiovisual entertainment, whether a film or series, and to giving EuropaCorp first refusal. Luc Besson must inform and consult the Board of Directors on any other professional activities which must be limited such that the vast majority of his professional activities are for EuropaCorp and subject to the cooperation agreement. The components of Luc Besson's compensation that are independent of the films produced or distributed by EuropaCorp are as follows:

- Fixed compensation of \$0.6 million per year in respect of his position as Artistic Director;
- An expatriation allowance of \$1.0 million per year, similar to the expatriation allowance received prior to the restructuring.

The components of Luc Besson's compensation that are related to the films produced by LBP and distributed by EuropaCorp will be incorporated into the budgets of the various films. As was the case prior to the restructuring, they will vary significantly from one film to the next, in particular according to the nature of the film. These components include:

- As an author, Luc Besson will receive a minimum guarantee of between \$0.4 million and \$1.6 million for the English-language films, charged against 5% of the producer share of net revenue (recettes nettes part producteur - RNPP), following the amortization of the cost of the film;
- As a director, Luc Besson will be awarded a percentage of the RNPP, with a minimum guarantee of between \$2 million and \$6 million for English-language films, charged against 5% of the RNPP, following the amortization of the cost of the film;
- For all producers of each English-language film distributed worldwide, a range of total compensation of between \$0.35 million and \$2 million to include any share payable to Luc Besson, has been agreed as part of the cooperation agreement.

At the end of the period of exclusivity, Luc Besson will offer EuropaCorp the option of acquiring the scripts that have not yet been produced during the exclusivity period for a minimum guarantee of \$1 million to be charged against 5% of the RNPP.

Finally, under the cooperation agreement, provided that Luc Besson delivers two English-language films with international exposure to EuropaCorp each year, which EuropaCorp decides to produce, for which he holds the responsibility of author and/or director, and the budget for these two films is 100% covered by pre-sales, on each anniversary date of the cooperation agreement and for an initial five-year period from this agreement, Luc Besson will receive an annual allocation of 1% of the market capitalization of EuropaCorp paid in shares. In the event of a two-year extension to the cooperation agreement, this mechanism will continue to apply. The total amount received may not exceed 7% of the market capitalization and Luc Besson may receive this additional compensation in cash if EuropaCorp shares cannot be issued to him (in which case this amount net of tax is then to be used by Luc Besson to purchase EuropaCorp shares).

- **Axel Duroux**

<i>Compensation of the executive corporate officers</i>				
Axel Duroux <i>Chief Executive Officers, since September 1, 2020</i>	<i>March 31, 2021</i>		<i>March 31, 2020</i>	
	<i>Amounts owed</i>	<i>Amounts paid</i>	<i>Amounts owed</i>	<i>Amounts paid</i>
Fixed compensation ⁽¹⁾	€291,669	€291,669	-	-
Variable compensation ⁽²⁾	€100,000	€100,000	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	-	-	-	-
TOTAL	€391,669	€391,669	-	-

⁽¹⁾ The annual fixed compensation of the Chief Executive Officer is set at a gross amount of €500,000. It is payable in twelve monthly installments. It was paid pro rata temporis from the effective start of his term of office.

⁽²⁾ Compensation for entering into office of €100,000 in cash.

The Extraordinary General Meeting of September 28, 2020 approved the allocation of free shares to Axel Duroux for a value of €400,000 in respect of his **entry into office** as follows:

- Number of shares: the number of shares to be allocated to Axel Duroux will be determined by dividing €400,000 by the average price of the Company's shares over the period of ten consecutive trading days immediately preceding the date of the Extraordinary General Meeting; up to a limit of 0.8% of the share capital; As a result, he was awarded 553,787 shares on October 26, 2020;
- Vesting period: the free shares will be subject to a vesting period of one year, except in the event of (i) death, as provided for in Article L.225-197-3 of the French Commercial Code, (ii) second- or third-category disability provided for in Article L.341-1 of the French Social Security Code, or (iii) under the conditions approved by the Board of Directors at the time of the Chief Executive Officer's departure and in accordance with the terms and conditions that the Board of Directors will determine (i.e. the free shares will therefore only be definitively allocated if Mr. Axel Duroux is still Chief Executive Officer or employee of EuropaCorp or one of its subsidiaries at the end of the one-year vesting period, unless otherwise decided by the Board of Directors);
- Retention period: Free shares will be subject to a retention period of one year from the end of the vesting period, except (i) in the event of death, under the conditions provided for in Article L.225-197-3 of the French Commercial Code, or (ii) in the event of death. second or third category disability provided for in Article L.341-1 of the French Social Security Code, or (iii) under the conditions approved by the Board of Directors at the time of the Chief Executive Officer's departure and in accordance with the terms and conditions that the Board will determine. In the same way as for long-term share-based compensation, Mr. Axel Duroux will

be subject to an obligation to retain 50% of the free shares thus acquired in his capacity as executive corporate officer, until the end of his term of office. This obligation is intended to ensure that the interests of the Chief Executive Officer are sufficiently aligned with those of the shareholders.

- *Performance condition:* As bonus shares are part of a compensation for entering into office, by way of derogation from the provisions of the internal rules in terms of governance, no performance condition will apply.

Mr. Axel Duroux also benefits from **variable annual compensation**. The amount of the Chief Executive Officer's variable gross annual compensation may reach 100% of the gross annual fixed compensation paid if all performance criteria are fully met. The annual variable compensation will be paid entirely in cash.

The criteria applicable to the annual variable compensation are as follows:

- a financial criterion linked to the level of EBITDA achieved in relation to the annual budget; and
- a non-financial criterion which consists of promoting talent and diversity within the EuropaCorp Group, based on indicators linked to gender diversity in the Group's management positions.

The Board of Directors considered that these were key performance indicators of the EuropaCorp Group and that they enabled the compensation of the Chief Executive Officer to be aligned with the performance of the Company.

The respective weighting of the criteria will be as follows: 95% for the financial criterion and 5% for the non-financial criterion.

a) Financial criterion (0% to 95% of the gross annual fixed compensation)

The level of EBITDA achieved for a given year is the key performance indicator of the Company. This performance criterion will represent a maximum of 95% of the gross fixed compensation. The amount of the variable compensation based on this financial criterion will be determined as follows:

EBITDA for the reference financial year*	Percentage of the gross fixed compensation allocated to the Chief Executive Officer
Below 5% of budget or more	0
Between -5% (excluded) and +5% (included) of the budgeted amount	38%
Between +5% (excluded) and +10% (included) of the budgeted amount	57%
Between +10% (excluded) and +15% (included) of the budgeted amount	76%
More than 15% of the budgeted amount	95%

* For confidentiality reasons, the Company will not disclose the ex ante amounts for this criterion. However, the Company will disclose the level of satisfaction at the end of the period.

b) Non-financial criterion (5% of the annual fixed compensation)

The promotion of talent and gender diversity within EuropaCorp SA is an important non-financial indicator of the Company's success, which aims to bring creativity and growth. It will be measured on the basis of an indicator linked to gender diversity within the EuropaCorp SA workforce. If, at the end of the financial year in question, at least 38% of EuropaCorp SA's employees (rounded to the nearest whole number) are women, an amount of 5% of the gross annual amount will be paid to the Chief Executive Officer.

Given that the new Chief Executive Officer took up his duties in September 2020, and received a

compensation for entering into office in both cash and shares, Axel Duroux did not receive any annual variable compensation for the financial year ended on March 31, 2021.

Axel Duroux has undertaken not to receive any compensation for his role as director.

- **Régis Marillas**

It should be noted that Régis Marillas, previously Deputy Chief Executive Officer, did not receive any compensation for his corporate office. In addition, a service contract was signed with Gestion Management et Conseils, of which Régis Marillas is Chairman, for a monthly amount of €35,000 excluding tax, with an end-of-contract bonus of €360,000 excl. tax. The contract took effect on October 1, 2018, and ended on December 31, 2020.

13.1.2 Non-executive corporate officers

The General Meeting of Shareholders of September 26, 2014 set the total amount of Directors' fees granted to the Board of Directors to €300,000 per year as from the 2014/2015 financial year, leaving the Board free to divide this amount among its members.

At the Board meeting of July 18, 2016, on the proposal of the Compensation and Appointments Committee, the Board of Directors decided to distribute €210,000 as Directors' fees to Board members for the financial year ended on March 31, 2016.

During its meeting of July 17, 2017, the Board of Directors decided to distribute a total amount of €180,000 in Directors' fees for the financial year ended on March 31, 2017.

During its meeting of July 17, 2018, the Board of Directors decided to distribute a total amount of €180,000 in Directors' fees for the financial year ended on March 31, 2018.

During its meeting of July 18, 2019, the Board of Directors decided to distribute a total amount of €200,000 in Directors' fees for the financial year ended March 31, 2019, representing an increase of €20,000. The Board decided to make this increase subject to the adoption of a safeguard plan.

During its meeting of July 28, 2020, the Board of Directors decided to distribute a total amount of €200,000 in compensation to directors for the financial year ended March 31, 2020.

During its meeting of July 15, 2021, the Board of Directors decided to distribute a total amount of €110,000 in compensation to directors for the financial year ended on March 31, 2021.

The following is the compensation paid by the Company to the members of the Board of Directors of the Company (other than the executive corporate officers mentioned in 13.1.1 of the Universal Registration Document) during the last two financial years (amounts net of the mandatory flat-rate tax or withholding tax).

<i>Table on director compensation and other compensation received by non-executive corporate officers</i>		
Corporate officers	<i>March 31, 2021¹⁰</i>	<i>March 31, 2020¹¹</i>
Patrice Gassenbach	Amount paid for the term as:	Amount paid for the term as:
	Member of the Board of Directors	Member of the Board of Directors

¹⁰ Received in the financial year ended on March 31, 2021 for the financial year ended on March 31, 2020.

¹¹ Paid in July 2020 for the financial year ended on March 31, 2019.

Director compensation	25,579	28,668
Other compensation	-	-
Charles Milhaud	Amount paid for the term as: Deputy Chairman of the Board of Directors	Amount paid for the term as: Deputy Chairman of the Board of Directors
Director compensation	16,277	23,890
Other compensation	-	-
Rhyzlène Nusse	Amount paid for the term as: Member of the Board of Directors	Amount paid for the term as: Member of the Board of Directors
Director compensation	25,579	19,112
Other compensation	-	-
Front Line	Amount paid for the term as: Member of the Board of Directors	Amount paid for the term as: Member of the Board of Directors
Front Line Director compensation	9,780	7,307
Director compensation Didier Kunstlinger	17,051	12,740
Other compensation	-	-
Luc Besson	Amount paid for the term as: Member of the Board of Directors	Amount paid for the term as: Member of the Board of Directors
Director compensation	-	-
Other compensation	-	-
Virginie Besson-Silla	Amount paid for the term as: Member of the Board of Directors	Amount paid for the term as: Member of the Board of Directors
Director compensation	20,928	14,334
Other compensation	436,787	300,000
Grégory Ouhanon	Amount paid for the term as: Member of the Board of Directors	Amount paid for the term as: Member of the Board of Directors
Director compensation	-	19,112
Other compensation	-	-
Coralie de Fontenay	Amount paid for the term as: Member of the Board of Directors	Amount paid for the term as: Member of the Board of Directors
Director compensation	23,253	19,112
Other compensation	-	-
Lisa Leboff	Amount paid for the term as: Member of the Board of Directors	Amount paid for the term as: Member of the Board of Directors
Director compensation	37,205	31,058
Other compensation	-	-
TOTAL director compensation	175,652	175,335

13.1.3 Front Line

Front Line, a reference shareholder in the Company, has been a member of the Board of Directors since September 16, 2008. A more detailed description of the relations between Front Line and the Group is provided in Section 17 “Related party agreements” of the Universal Registration Document.

13.1.4 Compensation and benefits due at the termination of the functions of a corporate officer of the Company

No compensation or benefits are provided for the Chairman of the Board of Directors in the event of termination of his duties.

Concerning the Chief Executive Officer, the Company is in the process of implementing a safeguard plan. As a result, the Chief Executive Officer cannot benefit from GSC-type insurance cover in the event of forced departure. As a result, the following severance package has been implemented.

If the Chief Executive Officer is dismissed at the initiative of the Board of Directors or is not renewed, the Chief Executive Officer is entitled to severance pay in accordance with and subject to the following:

- Amount: A gross lump sum of €250,000, payable in 12 equal monthly installments, it being understood that if the Chief Executive Officer begins a new position before the end of this period of 12 months, any unpaid monthly payment will cease to be due and the lump sum will be reduced accordingly; by way of exception, if the Chief Executive Officer is dismissed at the initiative of the Board of Directors before the definitive vesting of the free shares granted as compensation for entering into office described in Section 2 of this Appendix A (i.e. before the expiry of the one-year vesting period), this gross lump sum of €250,000 will be paid to the Chief Executive Officer in a single payment, within 30 days following the dismissal and will not be reduced if the Chief Executive Officer takes up a new position within 12 months of the dismissal;
- Serious or gross misconduct - retirement: the severance payment will not be due in the event of serious misconduct or gross negligence on the part of the Chief Executive Officer or if the Chief Executive Officer is entitled to pension rights;
- Performance criterion: to benefit from the severance pay, the following cumulative conditions must be met on the date of revocation:
 - The Company made all payments at maturity in accordance with the safeguard plan approved by the Commercial Court of Bobigny on July 24, 2020 on the departure date; and
 - At least 38% of EuropaCorp SA's employees (rounded to the nearest whole number) at the close of the last financial year preceding the dismissal or non-renewal are women.
- Severance pay: this severance payment will no longer be in force, as from the date on which the following two conditions are met: (i) the Chief Executive Officer effectively benefits from a GSC-type insurance policy or an equivalent insurance policy) taken out on his behalf by the Company, and (ii) the qualifying period applicable under this insurance policy has expired.

13.1.5 Description of the options, warrants and free shares granted to corporate officers

As detailed in 13.1.1 of this Universal Registration Document, the Extraordinary General Meeting of September 28, 2020 approved the allocation of free shares to Axel Duroux for a value of €400,000 in respect of his compensation for entering into office.

Also, a significant part of the compensation of the Chief Executive Officer will consist of a **long-term compensation** in the form of performance shares as part of a management incentive plan. These performance shares will vest subject to a presence condition and performance conditions assessed over a three-year period, in order to encourage the Chief Executive Officer to take action in the long term, to build loyalty and promote alignment of its interests with the interests of the Company and the interests of shareholders.

- Number of shares allocated

The performance shares included in the management incentive plan will represent, including the free shares granted to Axel Duroux in respect of his compensation for entry into office, a maximum of 3% of the total outstanding share capital of the Company, for the 2021-2024 period.

The number of shares that would potentially be allocated to Axel Duroux for the years 2021-2024, after publication of the financial statements for the 2020/2021 financial year, will be determined by the Board of Directors and may not represent more than 40% of the total number of performance shares allocated to management. The value of the shares awarded to the Chief Executive Officer may not represent more than 150% of his overall gross compensation (fixed and variable) for the previous year, it being specified that for the purpose of determining this value, the Chief Executive Officer will be deemed to have received 100% of his fixed annual compensation and 100% of his variable annual

compensation for the 2020/2021 financial year (even if he joins the Company during the 2020/2021 financial year).

- Performance and presence conditions

The definitive allocation of these performance shares will be subject to the following conditions:

a) *Three-year presence condition*

The performance shares will only vest if the Chief Executive Officer is still Chief Executive Officer, or an employee of EuropaCorp or one of its subsidiaries, on the third anniversary of the date on which the performance shares were allocated, it being specified that in any event, these will be allocated no later than December 31, 2021.

In the event that the Chief Executive Officer ceases his duties as Chief Executive Officer before the end of the relevant vesting period, the performance shares that have been allocated to him but not yet vested shall lapse, except in the following cases:

- i. Death, under the conditions provided for in Article L.225-197-3 of the French Commercial Code, second- or third-category disability provided for in Article L.341-1 of the French Social Security Code, or retirement; in each case, the performance shares will be maintained subject to the satisfaction of performance conditions; or
- ii. Under the conditions approved by the Board of Directors at the time of the departure of the Chief Executive Officer.

b) *Performance criteria*

The number of shares vested will also depend on the level of satisfaction of the following performance criteria.

- i. Financial criterion: Depending on the level of EBITDA achieved compared to that resulting from the business plan over three financial years (between 0% and 95% of the shares initially allocated), according to the following methods:

Cumulative EBITDA over the three financial years concerned*	Percentage of the number of performance shares initially granted that are definitively acquired by the Chief Executive Officer
Less than 5% or more than the cumulative EBITDA resulting from the business plan for the same period	0
Between -5% (excluded) and +5% (inclusive) of the cumulative EBITDA resulting from the business plan for the same period	47.5%
Between +5% (excluded) and +10% (included) of the cumulative EBITDA resulting from the business plan for the same period	57%
Between +10% (excluded) and +15% (included) of the cumulative EBITDA resulting from the business plan for the same period	66.5%
Between +15% (excluded) and +20% (included) of the cumulative EBITDA resulting from the business plan for the same period	76%
Between +20% (excluded) and +25% (inclusive) of the cumulative EBITDA resulting from the business plan for the same period	85.5%
More than 25% of the cumulative EBITDA resulting from the business plan for the same period	95%

* For confidentiality reasons, the Company will not disclose the ex ante amounts for this criterion. However, the Company will disclose the level of satisfaction at the end of the relevant three-year period.

- ii. Non-financial criterion: The promotion of talent and gender diversity within EuropaCorp SA is an important non-financial indicator of the Company's success, with the aim of bringing creativity and growth. It will be measured on the basis of an indicator linked to gender diversity within the EuropaCorp SA workforce. If at least 41% of EuropaCorp SA's employees (rounded to the nearest whole number) are women at the end of the last of the three financial years in question, then 5% of the performance shares initially granted will be definitively acquired by the Chief Executive Officer.

c) Retention period

The Chief Executive Officer is subject to an obligation to retain, until the end of his term of office, 50% of the performance shares definitively acquired due to his capacity as executive corporate officer. This obligation is intended to ensure that the interests of the Chief Executive Officer are sufficiently aligned with those of the shareholders.

The Company will take all the measures necessary under Article L.225-197-6 of the French Commercial Code to enable the implementation of long-term compensation in the form of performance shares in accordance with this paragraph.

13.2 Total amount of receivables provisioned or recorded by the Company or its subsidiaries for the payment of pensions or retirement or other benefits

No significant amount has been provisioned or recorded for the financial year by the Company or its subsidiaries for the payment of pensions or retirement or other benefits to its corporate officers.

14 BOARD AND MANAGEMENT PRACTICES

14.1 Term of office of the members of the Board of Directors

See Section 12.1.1 of the Universal Registration Document.

14.2 Information about contracts linking members of the Board of Directors, executive management and supervisory bodies and the issuer or any of its subsidiaries providing for the granting of benefits at contract end or an appropriate statement to the contrary

See Section 17 of this Universal Registration Document

14.3 Information about the Audit Committee and the Compensation Committee

The Company's Board of Directors has set up two internal specialized committees: the Audit Committee and the Compensation and Appointments Committee. These committees' operating procedures are governed by specific stipulations in the Board of Directors' Rules of Procedure.

In particular, each committee may, for the performance of its duties, obtain from the Company any document it deems useful for its purposes, interview any or all of the members of the Board of Directors, the Chief Executive Officer or any other person as it deems useful, or seek the assistance of any third party (expert, consultant, lawyer or Statutory Auditor) in its meetings. Each committee may invite any or all of the members of the Board of Directors and the Chief Executive Officer to its meetings. For the committees' deliberations to be valid, at least half of its members must be present.

The length and frequency of meetings must be such that they allow for in-depth review and discussion of the topics within the purview of the committee. Decisions are taken by a majority vote of the committee members and are recorded in minutes signed by the Chairman and a committee member attending the meeting.

The committee members make all recommendations they deem appropriate to improve the functioning of the committees.

Audit Committee

- *Authority of the Audit Committee*

The Audit Committee helps the Board ensure the accuracy and fair presentation of the Company's separate and consolidated financial statements and the quality of the information provided. In particular, for the preparation of the Company's separate and consolidated financial statements (annual and half-year), as well as for the preparation of any decision concerning the Company's financial statements, the Audit Committee is tasked with making any recommendation or proposal to the Board of Directors in all of the following areas:

Review and control of the financial statements, for the purpose of assisting the Board of Directors in its review and approval of the annual and half-year financial statements:

- review of the scope of consolidation, accounting methods and control procedures;
- review of the half-year and annual financial statements, including the analysis of provisions, material disputes, material risks and off-balance sheet commitments;
- review of the accounting positions taken for the recording of material operations;
- opinion given to the Board of Directors on any significant changes planned in accounting methods;

- review of the Group's financial structure.

Monitoring of the Statutory Auditors' assignment:

- steering of the Statutory Auditor selection procedure;
- opinion given to the Board of Directors on the draft proposals to be submitted to the General Meeting concerning the replacement and reappointment of Statutory Auditors;
- review of the fees paid to the Statutory Auditors to make a recommendation to the Board of Directors;
- compliance check to ensure the independence of the Statutory Auditors.

Monitoring of the internal audit:

- opinion on the role and organization of the Group's internal audit, and on its action plan if a significant change takes place within the organization;
- review of the work carried out by the internal audit team.

In support of the above-mentioned assignments:

- review of the procedures used for the provision of information to shareholders and the market;
- review of the organization and implementation of internal control procedures within the Group;
- notice prior to the following decisions of the Board of Directors: preparation of the annual budget; decision tending to initiate insolvency proceedings for the Company or one of its subsidiaries or the appointment of a judicial representative; management decision of a nature to modify the annual budget approved by the Board by more or less than 20%; issue of transferable securities; subscription to new loans of an amount in excess of €15 million, excluding a credit line for films and excluding financing of films with specialized organizations; decision or commitment related to real estate rights for the Company equivalent to a charge for the Company in excess of €2.5 million on an annual basis excluding charges and taxes.

- *Audit Committee operating procedures*

The Audit Committee meets at least four times a year and whenever it deems it necessary. It also meets prior to any Board meetings set to examine an issue related to its duties. The length and frequency of meetings must be such that they allow for in-depth review and discussion of the topics within the purview of the committee.

Once a year, the committee receives the Company's Statutory Auditors, in the absence of the Company's executive officers if appropriate. In the performance of its duties, the Audit Committee and in particular its Chairman has regular exchanges with the Company's Chief Financial Officer.

- *Composition of the Audit Committee*

The Audit Committee is composed of a maximum of five members, of which at least two thirds are Independent Members. Moreover, no corporate officer with executive duties may be a member of the committee. The members of the Audit Committee must be chosen on the strength of their accounting and financial expertise.

As of March 31, 2020, the Board of Directors appointed three members to the Audit Committee: Charles Milhaud, Chairman of the committee and Deputy Chairman of the Board, Patrice Gassenbach and Lisa Leboff, members of the Board of Directors. The committee thus comprised three Independent Members out of three, and one woman.

As of March 31, 2021, following the capital increases of July 2020 reserved for the Vine funds, the Board of Directors appointed, on September 24, 2020, Mr. James Moore as Chairman of the Committee, and Ms. Alexandra Voss and Ms. Deborah Carlson as members of the Board of

Directors. The Committee now has two Independent Members out of three and two women. The term of office of the members of the committee follows that of the directors, which expires at the end of the General Meeting to be held in 2024 to approve the financial statements for the financial year ending on March 31, 2024.

- *Audit Committee meetings during the financial year*

The Audit Committee met five times during the 2020/2021 financial year, as it did in the previous year. Moreover, the Audit Committee has met twice since the year-end close.

Compensation and Appointments Committee

- *Authority of the Compensation and Appointments Committee*

The duties of the Compensation and Appointments Committee include the following:

- making any recommendation to the Board of Directors on the compensation of Board members including the Chairman and Deputy Chairman, the compensation of the Chief Executive Officer and Deputy CEOs, as well as the rule for determining their variable components, and fringe benefits such as retirement schemes and benefits in kind;
- being informed of the severance indemnities envisaged for the Company's senior executives and corporate officers, and giving an opinion on this matter to the Chairman of the Board of Directors;
- making recommendations to the Board of Directors on the policy governing the award of stock options and free shares, concerning all categories of beneficiaries, and in particular, concerning the Company's Chief Executive Officer and Deputy CEOs; making recommendations about the timing of the awards and the award procedures;
- giving an opinion prior to the appointment, re-appointment or dismissal of the Board members and Chairman, the committee members and Chairman, the Chief Executive Officer and the Deputy CEOs, as to their expertise, availability, suitability and complementarity with the other members of the Board of Directors and Senior Management;
- giving an opinion prior to any Board decision concerning the recruitment, change in compensation, or dismissal by the Company of any senior executive or employee whose total annual gross compensation (fixed and variable) amounts to at least €400,000;
- proposing the status of Independent Member for the Board members concerned;
- performing checks to ensure compliance with independence criteria, giving an opinion on the matter and, where appropriate, advising the Chairman of the Board of Directors on the number of Independent Members;
- being able to put forward a proposal at any time for a successor to the Chairman of the Board of Directors in the event of an unforeseen vacancy.

- *Functioning of the Compensation and Appointments Committee*

The Compensation and Appointments Committee meets at least once a year and, in all cases, prior to Board meetings set to examine an issue relating to its duties. The length and frequency of the Compensation and Appointments Committee meetings must be such that they allow for in-depth review and discussion of the topics within the purview of the committee.

- *Composition of the Compensation and Appointments Committee*

The Compensation and Appointments Committee is composed of a maximum of five members, the majority of which must be independent. Furthermore, no executive corporate officer may sit on this committee. The Chairman and the Deputy Chairman of the Board may be members of the Compensation and Appointments Committee but cannot take part in the committee meetings dealing with their own compensation. Moreover, this committee cannot be chaired by the Chairman of the

Board of Directors.

The Compensation and Appointments Committee had three members as of March 31, 2020: Charles Milhaud, Deputy Chairman of the Board of Directors, Didier Kunstlinger, permanent representative of Front Line, and Rhyzlène Nusse, Director. The meetings were chaired by Charles Milhaud. The committee thus comprised two Independent Members out of three, and one woman.

Following the capital increases of July 2020 reserved for the Vine funds, there were three members of the Compensation and Appointments Committee appointed on August 3, 2020: Mr. James Moore, Ms. Deborah Carlson and Ms. Jane Majeski. Following the resignation of Ms. Jane Majeski from her duties as director on September 3, 2020, Ms. Alexandra Voss was appointed at the Board meeting of September 24, 2020. The term of office of the members of the committee follows that of the directors, which expires at the end of the General Meeting to be held in 2024 to approve the financial statements for the financial year ending on March 31, 2024.

The meetings are chaired by James Moore. The committee thus comprises two Independent Members out of three, and two women.

The committee met four times during the financial year, as against once in the previous year. Moreover, since March 31, 2021, the committee has met once.

14.4 Statement on corporate governance in effect

The Company has been unable to implement the recommendations of the corporate governance code in full given the costs associated with such recommendations in a context where the Company has drastically reduced the number of its administrative staff and where the implementation of the safeguard plan made it absolutely necessary to keep its general and administrative expenses under control.

The Company does not abide by any specific corporate governance code. Instead, the Board of Directors draws on a certain number of recommendations of the “*Corporate Governance Code for Small and Mid Caps*” published in September 2016 by Middlednext (the “Middlednext Code”) and the “*Corporate Governance Code for Listed Companies*” revised in November 2016 by AFEP and MEDEF (the “AFEP/MEDEF Code”), which it takes into account and applies whenever the measures are compatible with the Company’s organizational structure and size.

To ensure transparency and for information purposes, the Board of Directors set up Rules of Procedure (available from the Company’s website), last updated on July 4, 2013. These rules act as the Board of Directors’ governance charter.

In application of the “apply or explain” rule provided for in recommendation 27.1 of the AFEP/MEDEF Corporate Governance Code for Listed Companies, the provisions of the Code which are not implemented, and an explanation of the reasons, are summarized in the report on corporate governance.

14.5 Significant potential impact on corporate governance

Following the capital increases reserved for Vine Media Opportunities-Fund III, LP, Vine Media Opportunities-Fund III-A, LP, Vine Media Opportunities-Fund III-B, LP, Vine Media Opportunities-Fund III-A AIV, LP (the “Vine Funds”) and Falcon Strategic Partners IV, LP the composition of the Board of Directors was modified.

The Board of Directors is now made up primarily of members appointed on the recommendation of

the Vine Funds. However, Luc Besson remains Chairman of the Board of Directors.

14.6 Corporate governance and internal control

The corporate governance and internal control procedures applicable within the Company and the Group made up by the Company and its subsidiaries (the “Group”) have the following purposes:

- ensuring that management actions, operational practices and staff behaviors comply with applicable laws and regulations and are in line with the policies defined by the Company’s governing bodies, as well as the values, standards and internal rules of the Company and Group;
- ensuring that the accounting, financial and management data communicated to the Company’s governing bodies accurately and truly reflect the business and position of the Company and Group.

One of the objectives of internal control is to prevent and manage the risks arising from the Company’s activities and the risks of errors or fraud, in particular in accounting and financial matters, including in the subsidiaries.

Like any control system, it cannot provide an absolute guarantee that all such risks will be completely eliminated, but is aimed at providing reasonable assurance in this respect.

The Group based itself on generally accepted guidelines with respect to corporate governance and internal control, in particular the AMF’s Risk Management and Internal Control Guidelines for Small and Mid Caps (Cadre de référence sur les dispositifs de gestion des risques et de contrôle interne pour les valeurs moyennes et petites) updated on July 22, 2010 and its implementation guide updated on June 14, 2010.

14.6.1 Conditions for the preparation and organization of the Board’s work

1. Senior Management structure and powers of the Chief Executive Officer

Since January 1, 2018, Luc Besson has held the positions of Chairman of the Board of Directors and of Chief Executive Officer as permitted by Article L.225-51-1 of the French Commercial Code. He was assisted by Régis Marillas, Deputy Chief Executive Officer, since September 24, 2018, in accordance with Article L.225-53 of the French Commercial Code. Mr. Marillas’s contract was terminated on December 31, 2020.

On September 1, 2020, the Company returned to the mode of administration and management providing for the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer, with the appointment of Axel Duroux as Chief Executive Officer and with Luc Besson remaining Chairman of the Board of Directors.

The Chief Executive Officer has the widest powers to act on behalf of the Company within the scope of the corporate purpose.

2. The Board of Directors

Composition of the Board of Directors

- *Members of the Board of Directors*

The Board of Directors is composed of 3 to 18 members, except as provided by law in the event of a merger. The members are appointed, reappointed or dismissed by the Ordinary General Meeting of

Shareholders.

As of March 31, 2020, the Board of Directors consisted of eight members: Luc Besson, Chairman, Charles Milhaud, Deputy Chairman, Front Line, represented by Didier Kunstlinger, Patrice Gassenbach, Rhyzlène Nusse, Coralie de Fontenay, Lisa Leboff and Virginie Besson-Silla, Directors.

At the General Meeting of April 28, 2020 relating to the capital increases reserved for the Vine funds and Falcon, the shareholders were informed of the resignation of seven directors (Luc Besson remaining Chairman of the Board of Directors) subject to the regulation-delivery of the new ordinary shares of the Company resulting from the capital increases voted on at this meeting on July 29, 2020. At this General Meeting, the shareholders approved the appointment of four new directors, which was also scheduled to take effect on July 29, 2020.

At the date of filing of this Universal Registration Document, the composition of the Board of Directors had changed; it now comprises the following members: Mr. James Moore, Ms. Deborah Carlson, Ms. Alexandra Voss and Mr. Axel Duroux, in addition to Mr. Luc Besson. Ms. Jane Majeski resigned during her term in office for health reasons.

In accordance with the Articles of Association, each member of the Board of Directors holds at least one Company share.

The Board is assisted in the performance of its duties by an Audit Committee and a Compensation Committee (see Section 14.3 of the Universal Registration Document).

- *Independent members*

In accordance with the Rules of Procedure, the Board of Directors must ensure that at least one third of its members are independent. As such, on March 31, 2021, the Company's Board of Directors had two Independent Members out of five members (i.e. Deborah Carlson and Alexandra Voss).

The criteria laid down in the Rules of Procedure to enable the Board of Directors to qualify a member as independent are drawn from those laid down in the AFEP/MEDEF Code and are the following:

- not being an employee or corporate officer of the Company or Group, an employee or Director of a shareholder entity which controls the Company, either alone or in concert (as defined by law), or one of its consolidated companies, and not having been in that position over the previous five years;
- not being a corporate officer of a company in which the Company holds, either directly or indirectly, a directorship or in which an appointed employee or a corporate officer of the Company (at present or over the past five years) holds a directorship;
- not being a client (or being associated with a client either directly or indirectly), supplier, merchant banker, or financing banker, if the business relations are liable to compromise the exercise of the member's independent judgment;
- not having close family ties with a corporate officer of the Company or Group;
- not having been an auditor of the Company or one of its subsidiaries over the past five years;
- not having been a corporate officer of the Company for more than 12 years;
- not receiving or having received material additional compensation from the Company or Group other than Directors' fees, including the award of any stock options or any other type of performance-related compensation.

The members of the Board of Directors representing significant direct or indirect shareholders of the Company may be considered as independent if these shareholders do not control the Company within the meaning of Article L.233-3 of the French Commercial Code. However, where a member of the Board of Directors represents a Company shareholder holding, either directly or indirectly, over

10% of the Company's share capital or voting rights, the Board of Directors re-examines the member's independent status taking into consideration the composition of the Company's capital and the existence of potential conflicts of interests.

The Independent Member status is examined by the Compensation and Appointments Committee upon the member's nomination. This Committee then reports its conclusions to the Board of Directors. In the event of a change in the position of the member concerned, the Board of Directors re-examines the Independent Member status in view of the above-mentioned criteria.

- *Gender balance among members*

The Board of Directors comprises members of each sex and has made efforts to improve gender balance among its members. The Board of Directors pays close attention to the diversity of the expertise (financial, managerial, legal, etc.) in its members' profiles, as well as to age and gender. This balanced representation is essential to the proper operation of the Board of Directors.

At the General Meeting of September 26, 2014, convened to approve the financial statements for the financial year ended March 31, 2014, the shareholders were asked to appoint Rhyzlène Nusse as a new Director, to bring the minimum representation of each gender to 20%, in compliance with the provisions of Article 5 II of Act no. 2011-103 of January 27, 2011.

The Company has complied with its obligation to reach a minimum 40% of women following the first Ordinary General Meeting held after January 1, 2017, by appointing Coralie de Fontenay and Lisa Leboff as directors at the General Meeting of September 27, 2017.

As of March 31, 2021, the Board of Directors comprised three men and two women, i.e. 40% female representation.

The established committees that support the Board of Directors also ensure they adhere to balanced gender representation. The Audit Committee is therefore composed of two women and one man, as is the Compensation Committee.

Role and practices of the Board of Directors

The practices of the Board of Directors are governed by the legal and regulatory provisions applicable to French public limited companies with a Board of Directors, as well as the Company's Articles of Association and the Board of Directors' Rules of Procedure last updated on July 4, 2013. Adopted in the aim of improving the Company's governance rules and increasing its performance, these Rules of Procedure strive to increase the Board's involvement in strategic Company decisions and the presence of Independent Directors in the two committees tasked with examining and preparing the Board's decisions.

These rules act as a governance charter for the Board of Directors. Their purpose is to ensure the quality of the Board members' work by promoting the implementation of the best corporate governance principles and practices. They comprise a Directors' Charter, which encourages regular attendance of the members. Indeed, any Director who fails to attend three consecutive meetings may automatically be considered as having resigned by the Board of Directors.

The Board meets as often as required in the Company's interest and at least once every three months, and whenever deemed appropriate. As stipulated in the Board's Rules of Procedure, the Board examines and decides on the Company's strategic policies at least once a year. Moreover, the Chairman of the Board of Directors must convene a Board meeting within a maximum of fifteen days whenever the Chief Executive Officer, or at least one third of the Board members, requests it. If the request is unheeded, the requester(s) may convene the meeting themselves, setting out its agenda.

The Chairman of the Board organizes and directs the Board's work and ensures that its members and the staff representatives have all the information and documents they require to fulfill their duties. Any Director can obtain the documents they deem useful for the preparation of a meeting, provided they request them within a reasonable amount of time. In addition, between meetings, the Directors receive all useful information on any events or transactions which are significant for the Company.

The Chairman may not be older than 65 and is assisted by a Deputy Chairman.

In accordance with the Company's Articles of Association, decisions are taken on a majority vote of the members present or represented. In the event of a tie, the Chairman of the Board has the casting vote.

Insofar as possible and depending on the circumstances applicable, any Board decision within the purview of a committee it has set up is preceded by a referral to said committee and is only adopted after submittal of the committee's recommendations or proposals. However, this committee consultation process is not aimed at delegating the powers granted to the Board by law or by the Articles of Association, and does not reduce or limit its powers.

An attendance record is kept at the Company's registered office, stating the names of the Board members present at each meeting, either physically or through means of telecommunication or remote transmission, as well as the names of represented members. The proxies are appended to the attendance record. The minutes of each Board meeting are drawn up by the Board secretary then approved by the Chairman who submits them to the Board's approval at a subsequent meeting. Moreover, as stipulated in the Board's Rules of Procedure, the Board conducts an annual internal evaluation of its operating procedures and work methods. Every two years, it may decide to have this evaluation carried out by an independent firm. At its meeting of July 15, 2021, the Board conducted its internal evaluation in respect of the financial year ended on March 31, 2021.

Authority of the Board of Directors

The Board of Directors determines the Company's strategic orientations and ensures they are adhered to. With the exception of the powers expressly assigned to the General Meetings of Shareholders and within the limit of the corporate purpose, the Board examines all questions relating to the proper functioning of the Company and settles all matters concerning the Company.

In the aim of increasing the involvement of the Board of Directors in strategic Company decisions, the Board's Rules of Procedure include a list of decisions which must be taken by the Board. These decisions concern the following:

- drawing up the annual budget and film line-up;
- any change in strategic policy and any decision extending beyond the strategic policy approved by the Board;
- any change in the scope of the Company's activities or their content, through the creation, elimination or restructuring of business lines;
- any decision concerning the launch of insolvency proceedings involving the Company or one of its subsidiaries or the appointment of a judicial administrator;
- any management decision liable to modify the annual budget by plus or minus 20%;
- any investment or divestment, asset purchase or sale, made by the Company; any decision, agreement or commitment concerning intellectual property rights for an amount exceeding €15 million;
- any issue of marketable securities;
- any change in the annual film release schedule (line-up) resulting in a change of more than 20% in the latest estimate of income from recurring operations before taxes as presented to the Board;
- any decision to launch a production with a budget exceeding €65 million;
- any new loan of more than €15 million, except for film credit lines and film financing from

- specialized organizations;
- any decision or Company commitment concerning real estate rights equivalent to an annual expense of more than €2.5 million for the Company, excluding expenses and tax;
- any decision concerning the Company's recruitment, dismissal or change in the compensation of corporate officers, senior executives, or any employee whose gross annual compensation (fixed and variable) amounts to at least €400,000.

Throughout the year, the Board of Directors conducts the checks and controls it deems appropriate and may request the documents it deems necessary to fulfill its duties.

After the closing of each financial year and within the legal deadline, the Board of Directors presents a report on the year's financial statements to the annual Ordinary General Meeting convened to approve the annual financial statements and, where applicable, the consolidated financial statements.

In accordance with applicable legal requirements and regulations, certain operations may only be decided by the Chief Executive Officer after their prior authorization by the Board of Directors, in particular:

- pledges, sureties or guarantees given in the Company's name (the Board of Directors may set a total annual amount or per-commitment amount below which its authorization is not required);
- agreements coming under Article L.225-38 of the French Commercial Code.

The General Meeting of Shareholders has also approved the delegations to the Board of Directors pertaining to capital increases. All these delegations are listed in Section 19.1.3 of the Universal Registration Document.

Board ethics

The Board of Directors is required to act in the Company's interest in all circumstances. To ensure good corporate governance, the Board of Directors has included a Directors' Charter in its Rules of Procedure, which sets out the members' rights and obligations and must be adhered to by all members.

Before accepting their positions, all Directors must ensure that they are fully aware of their general and specific obligations, as stipulated in applicable laws and regulations, the Articles of Association, the Rules of Procedure (comprising the Charter), and any other applicable text.

The Directors' Charter reads as follows:

1. Directors must be competent, involved and committed. If a Director fails to attend three Board meetings in a row, the Board of Directors may automatically consider this Director as having resigned;
2. Directors must act in the Company's best interest in all circumstances. Directors undertake to defend and promote the Company's values;
3. Directors must dedicate the required amount of time and attention to their duties. Directors must be diligent and, where possible, attend all Board meetings;
4. Directors must attend the General Meetings of Shareholders;
5. Directors have a duty of loyalty and diligence. In this respect, the Directors undertake to:
 - inform the Board of Directors of any (potential) conflict of interest, and abstain from related discussions and voting,
 - refrain from any involvement in companies in competition with the Company and its Group, unless they have informed the Board of Directors beforehand and obtained its approval;

6. Directors have a duty of confidentiality concerning all non-public information gained while carrying out their duties;
7. Directors must ensure that they receive, in good time, all documents and information required for the fulfillment of their duties. It is up to each Director to request such documents and information from the Chairman of the Board of Directors. Any Director who deems that the information provided was insufficient may ask the Chairman or Board of Directors to suspend its decision;
8. Directors must have the broadest possible knowledge of the Company's specific characteristics, businesses and industry, and they must ensure that they have the up-to-date knowledge required for the proper performance of their duties;
9. Directors must ensure that they retain their independence and freedom of judgment, decision and action in all circumstances. They undertake not to be influenced by any factor that may be detrimental to the corporate interests they are required to defend;
10. Directors undertake to avoid any conflict between their own personal and material interests and those of the Company. They shall inform the Board of Directors of any conflict of interest in which they may be involved. In such cases, they shall abstain from any discussions and decisions on the matters concerned.

Meetings of the Board of Directors during the financial year ended on March 31, 2021

During the financial year ended on March 31, 2021, the Board of Directors met 13 times (including three written consultations), with an average of six directors present and an average attendance rate of 96%.

The staff representatives were convened and attended all Board meetings. The Statutory Auditors were convened and attended the Board meetings held to examine the Group's quarterly and annual financial statements.

Three Board meetings have been held since the end of the 2020/2021 financial year.

3. Principles used to set the compensation and other benefits granted to corporate officers

Compensation paid to members of the Board of Directors

The members of the Board of Directors may be granted Directors' fees in the form of a fixed annual compensation set by the General Meeting and maintained until a new GM decision.

This remuneration is distributed among the members of the Board of Directors, as the latter deems appropriate. The apportionment takes account of factors such as the Directors' actual attendance at Board meetings, and their participation in the Audit Committee or Compensation and Appointments Committee. Members of these committees may be allocated larger amounts than other Board members. The Board decides on the compensation to be allocated to the Chairman and Deputy Chairman. The member of the Board of Directors cannot receive any compensation, whether permanent or not, other than Directors' fees, exceptional compensation for assignments or positions entrusted to them by the Board, and the compensation allocated to the Chairman and Deputy Chairman. However, the Board may allow reimbursement of travel expenses and the expenses incurred by its members in the Company's interest.

The General Meeting of September 26, 2014 set the total amount of Directors' fees granted to the Board of Directors to €300,000 per year as from the 2014/2015 financial year, leaving the Board free to divide this amount among its members.

At the Board meeting of July 18, 2016, on the proposal of the Compensation and Appointments

Committee, the Board of Directors decided to distribute €210,000 as Directors' fees to Board members for the financial year ended on March 31, 2016.

At the Board meeting of July 17, 2017, on the proposal of the Compensation and Appointments Committee, the Board of Directors decided to distribute €180,000 as Directors' fees to Board members for the financial year ended on March 31, 2017.

At the Board meeting of July 17, 2018, on the proposal of the Compensation and Appointments Committee, the Board of Directors decided to distribute €180,000 as Directors' fees to Board members for the financial year ended on March 31, 2018.

At the Board meeting of July 18, 2019, on the proposal of the Compensation and Appointments Committee, the Board of Directors decided to distribute €200,000 as Directors' fees to Board members for the financial year ended on March 31, 2019, amounting to a €20,000 increase. The Board decided to make this increase subject to the adoption of a safeguard plan.

During its meeting of July 28, 2020, the Board of Directors decided to distribute a total amount of €200,000 in compensation to directors for the financial year ended March 31, 2020.

During its meeting of July 15, 2021, the Board of Directors decided to distribute a total amount of €110,000 in compensation to directors for the financial year ended on March 31, 2021.

Other compensation

The Chairman of the Board of Directors is the only Board member to receive any compensation in respect of his office. Consequently, he does not receive Directors' fees.

During the financial year ended on March 31, 2021, the Chairman's gross compensation amounted to €775,619 (including his salary as director and screenwriter), excluding non-cash benefits which amounted to €867,154 for the period.

Additional information on the compensation paid to the Company's executive corporate officers is set out in Section 13 of the Company's Universal Registration Document, including the information required under the AFEP/MEDEF Code recommendations.

4. Procedures regarding shareholder participation at General Meetings

Company shareholders can take part in the General Meetings in accordance with the provisions of Article 19 of the Articles of Association, summarized below.

General Meetings are convened according to the conditions set by applicable laws and regulations. They may be convened by the Board of Directors.

The agenda of the Meeting is set by the party calling the Meeting. Shareholders may request the inclusion of draft resolutions on the agenda, under the conditions set by applicable laws and regulations.

All shareholders, irrespective of the number of shares they hold, have the right to attend the General Meetings and take part in the vote, either in person, by proxy or by post, subject to their registration in the Company's ledgers. These formalities must be completed by the second business day preceding the Meeting, at 00:00 Paris time. The Board of Directors may bring this deadline forward to the benefit of all shareholders.

As an alternative to personal attendance at the Meeting, shareholders may choose one of the following three options:

- be represented by another shareholder or by their spouse;
- vote by post;
- forward a proxy to the Company without naming a proxy holder, under the conditions set by applicable laws and regulations.

Company shareholders who are not French residents may be registered in the Company's ledgers and be represented at the Meeting by any intermediary registered on their behalf and holding a general power of attorney for the management of their securities. This, however, requires the intermediary to have declared its capacity to hold shares on behalf of third parties with the Company or with a financial intermediary prior to opening an account, in accordance with applicable legal and regulatory requirements.

The Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by the Chief Executive Officer. In their absence, the Meeting is chaired by the Deputy Chairman of the Board of Directors or by a specially appointed Board member.

On the decision of the Chief Executive Officer, shareholders may take part in the Meeting by videoconference, and vote by any means of telecommunication or remote transmission including the Internet, under the conditions set by the applicable regulations at the time of their use. This decision is announced in the notice of meeting published in the French official gazette (BALO).

Shareholders who, within the required time limit, use the electronic voting form provided on the website set up by the organizer of the Meeting, shall be deemed equivalent to the shareholders present or represented by a proxy.

5. Factors likely to have an impact in the event of a public offer

Pursuant to Article L.225-37 of the French Commercial Code, the factors likely to have an impact in the event of a public offer are set out and explained in accordance with Article L.225-100-3 of the Commercial Code in the Company's Universal Registration Document (see the cross-reference table presented in the Appendix to the Universal Registration Document).

6. Implementation of the "apply or explain" rule

In application of the "apply or explain" rule provided for in recommendation 27.1 of the AFEP/MEDEF Corporate Governance Code for Listed Companies, the provisions of the Code which are not implemented, and an explanation of the reasons, are summarized in this section.

Article 23 of the AFEP/MEDEF Corporate Governance Code for Listed Companies, recommends that non-compete agreements be signed with executive corporate officers.

The signing of non-compete agreements is intended to restrict the freedom of executive corporate officers to take on duties at a competitor. This protects the Company and requires a financial counterparty for the executive.

However, the Company, wishing to maintain its appeal for leading corporate executives and aware that it is one of the only vertically-integrated independent studios in Europe, did not feel that it was necessary to implement the recommendation.

14.6.2 Internal control procedures

The agreements entered into with related parties and the agreements entered into with members of

the Board of Directors or Management are presented in Section 17 of the Universal Registration Document.

1. Objectives and scope of the internal control procedures

Definition

The Group's internal control system is designed to ward off the specific risks arising from the Group's main businesses.

The internal control procedures aim to provide reasonable assurance regarding the achievement of the following objectives:

- compliance with applicable laws and regulations;
- control of the Group's businesses and processes and achievement of the strategic and operational objectives it has set;
- reliability, quality and availability of financial information;
- protection of the Group's assets, human resources and brands.

Limitations of the internal control system

Like any control system, the internal control system, however well designed and implemented, cannot provide an absolute guarantee of the achievement of the Company's objectives or fully ensure that the risks of errors or fraud, especially in accounting and financial matters, have been totally eliminated.

Scope

The internal control procedures are generally defined by the parent company, EuropaCorp SA, for the Group.

The following companies consolidated by EuropaCorp are therefore affected by the control procedures described in this report: EuropaCorp Distribution, EuropaCorp Home Entertainment, Dog Productions, Intervista, Ydéo, EuropaCorp TV, EuropaCorp Television, Blue Advertainment, Blue Event, Digital Factory, EuropaCorp Aéroville, EuropaCorp Films USA, Valerian, Valerian Holding, Orchestra, Q5 Production, EuropaCorp Finance, LLC and EuropaCorp Pictures, LLC. The management of almost all of the Group's subsidiaries is centralized at the registered office. Consequently, these entities apply the parent company's rules and procedures.

2. Identification of risks and formalization of the internal control procedures

Identification of risks

The Management Control unit has drawn up a map of the risks and processes. This mapping procedure aims to identify the main management processes and the related potential risks. The appraisal of these risks has made it possible to identify the controls required to prevent their occurrence and to define the objectives of the Group's internal control procedures and their implementation methods. This document is updated on a regular basis, in particular concerning job titles, delegations of signing authority with third parties and banks, the payment ceilings authorized and the description of the new controls set up.

Overall, the goal of the new rules is to submit to a single management line all of the commitments liable to be undertaken by the Group. Only the Chief Executive Officer is now empowered to commit the Group, except where he has delegated his signing authority. Likewise, the delegation ceilings

have been reduced. Moreover, EuropaCorp serves as Chairman in each of its consolidated subsidiaries (simplified joint-stock companies). This reinforces the control procedures by aligning all of the subsidiaries' decision-making processes with those of the parent company.

Formalization of control procedures

The procedures describing the controls to be carried out concerning operational risks and, in particular, those identified in the mapping of risks and processes, have been laid down in writing and communicated to all department and subsidiary managers. The Company's Chief Executive Officer controls the proper implementation of these procedures with the means at his disposal.

The procedures relating to the control of other types of risks are communicated or made available to staff, mainly via the Company's intranet. Such is the case for the procedures concerning the treatment of all CNC-related files, the professional expense policy, and the accounting procedures for special operations.

The internal control procedures laid down by the Group are reviewed on a regular basis via quarterly tests to appraise their proper implementation and relevance. Moreover, they are updated whenever this proves necessary. The update concerns the description of the processes and *risks*, as well as the presentation of the controls carried out. It also includes the description of any new controls set up. It is communicated to Group staff. These procedures are handed out to any new employees concerned.

Other internal control measures

In addition to the formal internal control procedures, such as the ones described above, which have been laid down in writing and are communicated to the various internal control players, the Group has laid down a certain number of rules and principles concerning the behavior of its employees and corporate officers.

- *The Group's Rules of Procedure*

EuropaCorp's Rules of Procedure include certain rules of professional ethics and promotes a certain number of principles, good practices and values to be adopted by all employees of EuropaCorp and its subsidiaries in the daily performance of their duties.

- *The Company's market ethics charter*

Following the Company's stock exchange listing, a market ethics charter was circulated, setting rules for corporate officers, related persons and Company insiders (as defined therein) concerning transactions in Company stock.

It aims to draw their attention to the applicable laws and regulations in this concern, and their requirement to strictly comply with them, as well as the penalties for disregard of these laws and regulations, and to set up preventive measures allowing everyone to invest in Company stock while abiding by market integrity rules.

The Company's ethics officer is tasked with transmitting the charter, by any means, to each corporate officer, related person and Company insider, specifying their status (corporate officer, insider or related person). An up-to-date ethics charter was sent to all persons concerned in January 2012.

3. Internal control procedures

To achieve its operational and financial targets, the Group has set up a certain number of organizational and internal control measures within the framework of the general organization

described below.

The Company's internal control is chiefly ensured by the Board of Directors, the Audit Committee, the Chief Executive Officer, the operational managers of Group companies, and the Group's Financial and Legal Departments, as well as all employees in general. These various players are instrumental in the control of the activities and associated risks in their areas of responsibility.

It is to be noted that the Company has not set up an internal audit department. The internal control tests are performed by the Management Control unit.

Board of Directors' role in the implementation of internal control

On September 16, 2008, EuropaCorp changed its legal form to become a French public limited company (*société anonyme*) with a Board of Directors.

The Board members have regular access to information concerning all the Group's businesses. They thus have access to sales figures for the main businesses (box office revenue, international sales, television, and video sales). The Finance Department sends business reports to the members of the Audit Committee. These reports give them a good grasp of the Group's medium- and long-term objectives, associated risks, and the measures set up to achieve the objectives.

The Board of Directors controls the Chief Executive Officer's management of the Company and decides which operations he cannot carry out without its prior authorization, in strict compliance with legal requirements and the Company's Articles of Association. The Board of Directors also examines the Group's annual budget. The Board committees support the Board of Directors in its duties.

The Audit Committee thus reviews the Group's half-year and annual financial statements, while the Compensation and Appointments Committee appraises any operation related to the compensation of corporate officers or any other operation for the benefit of employees such as decisions to award free Company shares or stock options.

Functional and operational committees

A Management Committee was set up in the course of the 2010/2011 financial year. It currently includes the Chief Executive Officer, the Secretary General, the Director of Productions, the Chief Executive Officer of EuropaCorp Films USA and the Chief Administrative and Financial Officer. This committee meets once a week for an hour.

In parallel with these Management Committee meetings, weekly meetings naturally take place between the Chief Executive Officer and the Operational Managers of each department to ensure that the Group's projects and activities are making good progress and are implemented in compliance with the procedures.

Main departments targeted by the internal control and risk management procedures

- *Corporate Secretariat*

Mainly in charge of the human resources and legal procedures concerning the Group's organization, the Corporate Secretariat ensures that the Group complies with its obligations in respect of labor law and corporate law. Since 2020, as part of the new organization of the Group initiated by the Chief Executive Officer, Axel Duroux, Edouard Boccon-Gibod, former member of the TF1 Group's Senior Management Committee and Executive Chairman of TF1 Production, has been appointed Secretary General of EuropaCorp SA. In charge of all legal issues, he assists Axel Duroux in the operational implementation of the Company's strategy.

- *Administrative and Financial Department*

The Administrative and Financial Department supervises all financial services, human resources and general services. It is in charge of preparing the financial statements and consolidated reports and takes part in the budgeting process. To this effect, the Finance Department strives to prevent the associated risks from materializing. Accordingly, detailed trend charts for each film and business are used every month to detect any budget under/over runs, in order to rapidly implement the required corrective actions.

Moreover, in collaboration with the Treasury and the Management Control unit, the Finance Department analyzes the Group's cash position on a regular basis. The Chief Executive Officer is immediately informed of any potential cash-flow risk concerning investments.

- *Treasury Department*

The Group's Treasury Department, coming under the direct authority of the Chief Financial Officer, is tasked with ensuring that the Company has adequate sustainable sources of funding to meet its needs:

- through weekly cash position statements and forecasts;
- through an analysis and regular update of 12-month cash flow forecasts: to improve internal control procedures, this analysis is now conducted by the Group's Management Control unit in close coordination with the Group's Treasury Department.

It also performs the following duties:

- daily management of accounts (as of value date);
- tracking of financial transactions;
- tracking of foreign exchange and interest-rate hedging operations. The Group's Treasurer and the Chief Financial Officer or the Deputy Chief Executive Officer are authorized to carry out stock exchange transactions up to €5 million except in the event of express authorization from the Chief Executive Officer.

Bank reconciliations enable checking and validation of Company outgoings. They are carried out on a regular basis by each entity's accounting department under the responsibility of the Group's Chief Accountant.

The risk of internal fraud is reduced through a countersigning system for all of the means of payment used by the Company and its subsidiaries, which requires the signature of two authorized signatories to commit the Company. The authorizations are updated on each change of signatory. Moreover, beyond certain limits, only the Chief Executive Officer can commit the Company.

The Company implements a conservative cash management policy. The Treasury Department safely invests available assets in short-term money market UCITS, deposit certificates, term accounts or commercial paper, depending on future investment needs.

Fluctuations in interest rates and foreign exchange have a direct impact on EuropaCorp's operations. The Treasury Department's role is to limit that impact, in view of market expectations.

The short- and long-term financing activities (such as credit lines specialized in the financing of productions) are performed by the Finance Department. The development of the debt, in particular concerning production liabilities, as well as hedging operations, is also specifically tracked by the Treasury Department.

- *Legal Department*

The Legal Department is in charge of the formalization and drafting of all activity-related contracts. It also tracks pre-litigation files and contract-related disputes in close collaboration with law firms.

The Group takes the required measures to prevent all risks stemming from unanticipated or misidentified changes in the legal and regulatory framework applicable to it.

To protect the Group from such risks, the Group's Legal Department monitors legal and regulatory developments, in the aim of guaranteeing the compliance of all Group activities with the rules applicable to them.

- *EuropaCorp's IT Department*

This department is responsible for managing the Group's IT network, and for specific applications developed in-house and software acquired from external service providers. In order to identify any IT issues or risks to which the Group is or is likely to be exposed, the IT department has drawn up a map of IT systems that it updates on a regular basis.

Concerning IT security procedures, EuropaCorp regularly acquires new tools which enable it to:

- improve daily data backup in a secure external environment;
- run applications in a secure room;
- protect the Company's network through firewalls and antivirus solutions.

Moreover, the Group has control procedures which secure the production and processing of accounting and financial data. In recent financial years, it has invested in software dedicated to film administration, accounting and consolidation, in order to cope with the growing flow of information.

4. Internal control procedures dedicated to the production and processing of accounting and financial data

The purpose of these internal control procedures is to define and implement the accounting policy, the management of resources and the control of existing constraints in order to meet the Company's objectives.

The accounting and financial data is produced by the Finance Department, which is in charge of Corporate Accounting, Group Management Control and the Treasury Department.

Management Control players

Group Management Control is organized according to the Group's operational and functional divisions. It relies on Corporate Controllers who cover the various departments and subsidiaries:

- a Management Control Officer tasked, *inter alia*, with supervising the entire control procedure carried out by his or her team;
- two controllers or rights-holder managers sharing the following tasks: the monitoring of third parties, functional and operational management control, the consolidation of the financial statements and budget, operational and financial reporting, and business monitoring.

The Management Control unit is part of the Finance Department.

The cost accounting of Group companies is organized on a per-production basis. This structure allows compliance with the accounting rules concerning the amortization of films, as well as the calculation of royalties payable to third parties. It also provides detailed follow-up of the direct margin for each production.

Management report: quarterly budget control and dashboards

Revenue is recognized at the end of each quarter. The accounts are closed at the end of each half-year, while Group consolidation is done half-yearly and annually.

A detailed monthly report enables to identify budget under/over runs for each operational and functional entity, and update the year-end consolidated gross operating margin forecast (before film amortization expenses and royalties), according to the results already recorded since the beginning of the financial year and the updated results forecast for each activity.

On a quarterly basis, the Chief Financial Officer or Chief Executive Officer, in close collaboration with the Management Control Officer, reports to the Audit Committee and possibly the Board of Directors on the analysis of the consolidated dashboards.

There may be significant discrepancies between operating margin forecasts (before film amortization expenses and royalties) and the operating margin actually recognized. This is due to the nature of the Company's business. This applies to all the film-related businesses. Major uncertainties giving rise to upward or downward fluctuations include the following: the success of film releases in French cinemas, and videos in France (also including sequel forecasts), the set-up of anticipated or new action plans for TV activities in France and the performance of international sales (compliance with delivery timeframe and the amount and pace of royalties are difficult to predict).

Moreover, the average amortization expense budgeted for is not updated in the monthly report due to the associated workload and available tools. It is nevertheless a significant expense within the operating margin.

Most of the accounting entries are automatic entries recorded upstream by trade-specific software. The Group's Chief Accountant carries out regular checks on all accounts, including through controls and spot checks on book entries.

Annual business plan

The Finance Department organizes the planning process and defines its principles and timetable with the Chief Executive Officer.

On behalf of the Group's Operational and Functional Managers, the Chief Executive Officer presents to the Board of Directors the strategy and objectives adopted for the Group for the upcoming year, as well as the detailed budget required for their achievement, as defined by the financial teams. During this stage, adjustments may be made.

The approved budgets are used as a reference for the expenses planned for the upcoming financial year.

Update of the annual business plan

As the films are released and based on updated business forecasts, the Management Control unit conducts a "forecast update" of the annual results during the first quarter of the financial year. This forecasting system informs the Chief Executive Officer of the possible impact of any business changes and provides a forecast of the Group's revenues and operating margin.

Closing of the separate financial statements

The year-end closing of the separate financial statements is carried out according to a schedule set by the Finance Department, detailing the tasks to be performed by each functional unit and the associated deadlines.

Cost accounting, general accounting and subledger accounting are centralized and performed via a reliable software solution widely used by listed companies. Budget accounting is done outside this

software. The accounting teams file and record all accounting operations and documents via financial IT systems placed under the authority of system administrators.

The films are amortized on the basis of current and future revenues. The revenue projections are determined on each closing date by the relevant operational managers, before being reviewed by the Finance Department and the Chief Executive Officer.

The Finance Department produces closure files including a dynamic analysis of all statement of financial position items and certain Income Statement items. The changes recorded in comparison with the previous financial year are subject to comments which provide further details on EuropaCorp's business.

Consolidation of financial statements processes and financial reports

Since March 31, 2006, the Group's consolidated financial statements have been produced in accordance with international accounting standards (IFRS) adopted by the Group since its IPO, which took place during the financial year ended March 31, 2008.

The year-end closing of the consolidated financial statements is carried out according to a schedule set by the Finance Department. The consolidation of the financial statements is done via consolidation software which acts as a structuring tool implementing the regularly updated accounting rules and principles.

The Group's subsidiaries use the management principles set by the Group for the requirements of the separate and consolidated financial statements. The consolidation documents of the Group's entities are produced by the subsidiaries' accountants. Much of the control work is carried out via the consolidation system configured to include numerous controls, some of which are restrictive.

The consolidated financial statements are produced by the Finance Department for the whole of the Group. It ensures that the source information provided by the subsidiaries is consistent and strives to guarantee, to the best of its ability, that the consolidated financial statements have been prepared in accordance with current standards and regulations and that they give a fair presentation of the Group's business and financial position. The Group's consolidated financial statements are published half-yearly and annually. To this effect, they are reviewed by the Group's financial control unit before a limited review or audit, then approved by the Board of Directors, based on the Audit Committee's observations.

Identification of off-balance sheet commitments

On the closing of the half-year and annual financial statements, the Finance Department collects the information required to report on consolidated off-statement of financial position commitments from all Company departments and Group subsidiaries.

Monitoring of tangible assets

The Group's assets are monitored via accounting software. On a regular basis, asset reviews are conducted to verify the reality and fair value of the tangible assets.

Valuation of subsidiaries and equity interests

An annual impairment test is performed on the Group's main acquisitions to ensure that their net book value matches their fair value. Fair value is the higher of recoverable amount and value in use. Value in use is determined using the discounted future cash flow method based on the principles detailed in the Group's financial statements.

Financial communication

Financial communication rests on the general principles and good practices of financial communication laid down in the Financial Communication Framework and Practices guidelines

(written by the Financial Communication Observatory [Observatoire de la communication financière] under the aegis of the AMF). Before the announcement of the half-year and annual results, the Company observes a quiet period of two weeks during which it has no contact with analysts or investors.

Monitoring of corporate officers' expense accounts

A new procedure for reviewing corporate officers' expense accounts was introduced by the Company during the financial year ended March 31, 2012. All of the expenses are now reviewed periodically and checked by the Chairman of the Audit Committee.

5. Expected developments

In order to supplement and reinforce existing internal control measures, the processes were assessed over recent financial years. The previously established process to identify the controls and operations aimed at preventing risks and detecting anomalies, as well as the mapping of risks and key processes, are updated on a regular basis. Instructions to this effect have been given to the Operational Managers concerned.

The Chief Executive Officer is continuing his efforts to implement all improvements liable to maintain or increase the reliability of operational and financial information within the Group.

6. Related-party agreements

The information on agreements signed, directly or through intermediaries, between (i) one of the corporate officers or one of the shareholders holding more than 10% of the voting rights of a company and, (ii) another company whose share capital is over 50% owned, directly or indirectly, by the first company, with the exception of agreements relating to day-to-day operations and signed under normal conditions, is provided in the Statutory Auditors' report on related-party agreements.

On July 18, 2019, the Board of Directors complied with the provisions of the French Commercial Code providing for the establishment of a procedure for the regular assessment of agreements relating to current transactions and concluded under normal conditions.

15 EMPLOYEES

15.1 Employment

- *Reporting scope*

For the reporting of all social data, the scope used for the 2020/2021 financial year is that of the Group's scope of consolidation on March 31, 2021, including the two subsidiaries based in Los Angeles, whose workforce accounts for 7% of the Group's workforce.

- *Breakdown and growth of the workforce*

As of March 31, 2021, the EuropaCorp Group employed 41 people (excluding casual staff), including five new employees (i.e. 12% of the total workforce).

The Group's workforce was stable for the financial year ended on March 31, 2021, as departures were offset by the arrival of new employees.

Breakdown of workforce per company:

	Workforce as of: March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
EuropaCorp SA ⁽¹⁾	28	28	34	48
EuropaCorp Distribution ⁽¹⁾	0	0	0	3
EuropaCorp Home Entertainment ⁽¹⁾	0	0	0	1
Roissy Films ⁽²⁾	0	0	0	3
Ydéo ⁽¹⁾	0	0	0	1
EuropaCorp Television ⁽³⁾	0	0	0	0
EuropaCorp Aéroville ⁽⁴⁾	0	0	0	0
Blue Advertainment ⁽¹⁾	0	0	0	0
Blue Event ⁽¹⁾	0	0	0	0
Digital Factory ⁽¹⁾	10	10	11	16
EuropaCorp Films USA	3	3	9	14
EuropaCorp Television USA	0	0	0	3
Total	41	41	54	89

⁽¹⁾ Companies included in the Economic and Social Unit (UES).

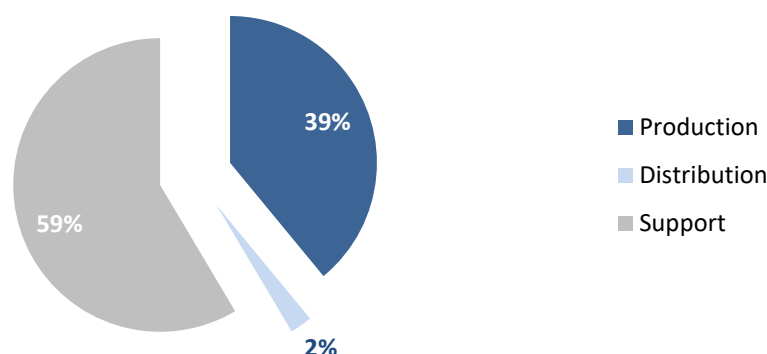
⁽²⁾ This subsidiary sold its film exploitation business during the 2018/2019 financial year and had three employees as of the disposal date.

⁽³⁾ This subsidiary, which sold its business on 01/15/2018, had 13 employees as of the disposal date.

⁽⁴⁾ This subsidiary, which sold its business on 12/14/2016, had 41 employees.

The workforce breakdown based on EuropaCorp's production and distribution activities was as follows on March 31, 2021:

Workforce by activity



As of March 31, 2021, employees directly involved in the film-making process (distribution and production) accounted for 41% of the workforce. A total of 39% of the Group's employees work in production activities (this does not include casual staff – see hereunder) and 2% work in distribution activities (the Group entered into a partnership with Pathé for the distribution in theaters of its films). The support functions account for 59% of the workforce and handle all Group management activities (finance, accounting, legal affairs, IT, corporate services, etc.).

All of EuropaCorp Group's employees are on permanent employment contracts. Executives accounted for 76% of the workforce versus 73% on March 31, 2020. 95% of employees work full time. Overall, the workforce comprised 37% women (including 67% of executives) and 63% men (including 81% executives).

The average age of the employees present on March 31, 2021 was 42, while it was 40 on March 31, 2020. As of March 31, 2021, 5% of the Group's workforce was under the age of 28 and 20% was 50 and over.

The average length of service within the Group was nine years as of March 31, 2021.

- *Casual staff*

In addition to Group employees, EuropaCorp calls on casual staff for the production of its films and TV series and ancillary activities.

In the case of line production, the casual staff is hired directly by the Group which assumes employer's responsibility. In the case of delegated production (non-line) or when the Group takes part in a production as financial co-producer, the employer's responsibility is assumed by the line producer under the management of the executive producer.

Concerning the casual staff hired directly by the Group, EuropaCorp abides by the French Labor Code and the terms agreed upon on February 22, 2010 and May 25, 2010 within the framework of the national collective agreement of artistic and cultural enterprises. The casual staff's working hours are based on a 39-hour work week. Depending on the film requirements (screenplay, sets, day or night scenes), the shooting may give rise to staggered working hours for casual staff but a rest period of at least 12 hours is observed. During the financial year ended on March 31, 2021, the Company and its subsidiaries directly employed 50 casual entertainment industry workers, totaling some 4,747 working hours.

- *Annual performance review*

All Group employees attend an annual performance and skills development review with their manager at the start of the year, which is an opportunity to validate individual development.

- *Compensation*

During the financial year ended on March 31, 2021, the total gross compensation paid to Group employees and casual staff amounted to €6.4 million, i.e. approximately 15% of the Group's revenue for the period.

Group employees benefit from a profit-sharing agreement set up in July 2004. The amount granted is based on the legally prescribed formula. During the 2020/2021 financial year, the Group companies did not make any contributions to the special profit-sharing reserve, as in the previous financial year.

Main social indicators	Unit	March 31, 2021	March 31, 2020	March 31, 2019
Total Group workforce as of March 31	No. of employees	41	41	54*
Number of casual employees	No. of casuals	50	32	231
Average length of service of Group employees	No. of years	9.1	9.0	7.6
Average age of Group employees	No. of years	42	40	40
Payroll (permanent employees + casual staff)	In millions of euros	6.4	5.7	7.9
Percentage of women in total workforce	%	37	37	33

* Of which one person working for two subsidiaries.

15.2 Equity interests and stock options

As of the filing date of this Universal Registration Document, the executives and directors held, directly or indirectly, the following equity interests in the Company:

	Shares held
Luc Besson	15,600,226
<i>Via Front Line</i>	15,596,191
<i>Directly</i>	4,035
Axel Duroux	132,000
James Moore	1
Deborah Carlson	1
Alexandra Voss	1

15.3 Agreement for involving employees in the capital

15.3.1 Stock options, free shares and warrants

- *Stock options*

As of the filing date of this Universal Registration Document, no stock option plan was yet in force.

- *Award of free shares*

By decision of October 26, 2020, and on the proposal of the Appointments and Remuneration Committee on the same day, the Board of Directors decided to set up a plan for the free allocation of 591,787 shares of EuropaCorp SA for the benefit of the employees and corporate officers of EuropaCorp and its subsidiaries located in France. Similarly, by decision of November 16, 2020, and on the proposal of the Appointments and Remuneration Committee on the same day, the Board of Directors decided to set up a plan for the free allocation of 436,365 EuropaCorp SA shares.

These decisions are part of the authorization granted by the Combined General Meeting of EuropaCorp's shareholders of September 28, 2020, in its 28th resolution, for the purpose of making free share grants to employees or corporate officers of the company and affiliated companies within the meaning of Article L.225-197-2 of the French Commercial Code, up to a limit of 10% of the share capital.

The Board of Directors also decided to set the vesting period at 1 year (this period running from the date of this decision) and the retention period at 1 year (this period running from the end of the vesting period).

Finally, the Board of Directors specified that the said shares will only be effectively and definitively acquired by the beneficiaries at the end of the vesting period and that this operation will be carried out by the allocation either of new shares, to be issued within the framework of one or more capital increases, or of existing shares, resulting from repurchases made by the Company within the framework of its share buyback program.

15.3.2 Profit-sharing, incentive mechanisms, employee savings plan and employee investment fund

- *Profit-sharing*

A profit-sharing agreement, governed by Articles L.3322-7 *et seq.* of the French Labor Code, was set up within the EuropaCorp ESU and Front Line under the collective bargaining agreement of December 5, 2017. The agreement was modified by the amendment of March 29, 2018.

It applies to the following companies: Front Line, EuropaCorp, EuropaCorp Distribution, EuropaCorp Home Entertainment, Dog Productions, Intervista, EuropaCorp Music Publishing, Ydéo, Roissy Films, EuropaCorp Television, Digital Factory, Blue Event and Blue Advertainment.

It lays down the special conditions applicable to profit-sharing. Under the profit-sharing agreement, all employees having worked for one of these companies for more than three months have, in proportion to their salary and length of service during the financial year considered, a right to the special reserve calculated using the standard legal formula. However, for each beneficiary, the gross wages used as a basis for the distribution are only taken into account when they are above €30,000 and below €100,000.

Each employee's rights are locked in for five years, excluding the exceptions provided for by law, and the amount of the rights that may be awarded to a single beneficiary for a single financial year cannot exceed an amount equal to three fourths of the annual French Social Security ceiling.

Over the last three financial years, Group companies did not make any contributions to the special profit-sharing reserve.

- *Incentive mechanisms*

There is no agreement concerning incentive mechanisms within the Group.

16 MAIN SHAREHOLDERS

16.1 Company shareholders and breakdown of the voting rights

As of the date of publication of this Universal Registration Document, the share capital and voting rights were as follows:

Shareholders	Number of shares	% of the share capital	% of the voting rights ¹
Vine Funds	73,444,492	60.15%	60.19%
Front Line	15,596,191	12.77%	12.78%
Luc Besson	4,035	0.00%	0.00%
Total Luc Besson	15,600,226	12.78%	12.79%
Total Concert²	89,044,718	72.93%	72.98%
FF Motion Invest	11,428,572	9.36%	9.37%
Falcon Strategic Partners IV L.P.	7,680,230	6.29%	6.29%
Lambert Capital BV	271,128	0.22%	0.22%
Habert Dassault Finance ³	398,309	0.33%	0.33%
BPCE ³	659,202	0.54%	0.54%
Public	12,536,354	10.27%	10.27%
Treasury shares ⁴	83,718	0.07%	
TOTAL	122,102,231	100.00%	100.00%

¹ Percentage of the actual voting rights (excluding treasury shares).

² Luc Besson (including his holding company Front Line) and Vine have entered into a shareholders' agreement qualifying as a concerted action. This agreement includes rules on governance and exit clauses.

³ Shares held on March 31, 2021 as part of the search for Identifiable Bearer Securities exercised by the Company at said date.

⁴ Treasury shares as of March 31, 2021.

The table below summarizes the changes which have taken place in the Company's share capital and voting rights over the past three financial years.

Shareholders	Situation at 31/03/2019			Situation at 31/03/2020			Situation at 31/03/2021		
	Number of shares	% of share capital	% of vote rights ¹	Number of shares	% of share capital	% of vote rights ¹	Number of shares	% of share capital	% of vote rights ¹
Vine funds							73 444 492	60,2%	60,2%
Front Line (holding of M. Luc Besson)	12 935 903	31,6%	31,6%	12 935 903	31,6%	31,6%	15 596 191	12,8%	12,8%
M. Luc Besson	4 035	0,01%	0,0%	4 035	0,01%	0,0%	4 035	0,0%	0,0%
FF Motion Invest	11 428 572	27,89%	27,9%	11 428 572	27,89%	27,9%	11 428 572	9,4%	9,4%
Falcon Strategic Partners IV L.P.		0,00%	0,0%		0,00%	0,0%	7 680 230	6,3%	6,3%
Lambert Capital BV	2 931 415	7,15%	7,2%	2 931 415	7,15%	7,2%	271 128	0,2%	0,2%
Sub-total	27 299 925	66,62%	66,7%	27 299 925	66,62%	66,7%	108 424 648	88,8%	88,9%
HSBC Bank PLC		0,00%	0,0%		0,00%	0,0%	754 321	0,6%	0,6%
BPCE ²	659 202	1,61%	1,6%	659 202	1,61%	1,6%	654 321	0,5%	0,5%
Habert Dassault Finance ²	2 050 005	5,00%	5,0%	1 978 905	4,83%	4,8%	398 309	0,3%	0,3%
Free shares plan ³	142 756	0,35%	0,3%	138 756	0,34%	0,3%	137 756	0,1%	0,1%
M. Pierre-Ange Le Pogam ²	728 025	1,78%	1,8%	0	0,00%	0,0%	0	0,0%	0,0%
Public	10 047 923	24,52%	24,6%	10 835 070	26,44%	26,5%	11 649 158	9,5%	9,5%
Treasury shares	49 673	0,12%		65 651	0,16%		83 718	0,1%	
TOTAL	40 977 509	100,00%	100,00%	40 977 509	100,00%	100,00%	122 102 231	100,00%	100,00%

¹ Percentage of the actual voting rights (excluding treasury shares).

² Under the authority vested in it by the General Meeting of Shareholders of September 28, 2012 (19th resolution), the Board of Directors, at its meeting of May 22, 2013, decided to award 233,783 free shares to all employees of the Company and its French subsidiaries, under the conditions defined in Articles L.225-197-1 et seq. of the French Commercial Code.

To the Company's knowledge, there are no other shareholders who directly or indirectly hold, alone or in concert, 5% or more of the share capital or voting rights than those mentioned in the table above (search for Identifiable Bearer Shares carried out by the Company on March 31, 2021).

The Vine funds are American limited partnerships whose registered office is located at 810 7th Avenue, Suite 802, New York, NY 10019 (United States).

Front Line is a French simplified joint stock company whose registered office is located at 20 rue Ampère, 93200 Saint-Denis (Trade and Company Register of Bobigny No. 421 920 307). Front Line was formed on February 23, 1999. Its main activity is the acquisition of equity interests in any type of company and the management of any group of companies, subsidiaries or equity interests. Luc Besson is the Chairman of Front Line, of which he holds 99.99% of the share capital.

FF Motion Invest Co., Limited is a wholly-owned subsidiary of Fundamental Films Co., Limited and is domiciled at Unit 417, 4/F, Lippo Center Tower Two, No. 89 Queensway, Admiralty, Hong Kong.

Falcon Strategic Partners IV, LP, is an American limited partnership whose registered office is located at 21 Custom House Street, 10th floor, Boston, MA 02110 (United States).

Lambert Capital BV is a Dutch-registered company whose registered office is located at 1076 Herengracht, 1076 BS Amsterdam, The Netherlands, and whose head office is located at Locatellikade 1, 1076 AZ, Amsterdam, The Netherlands, registered at the Dutch Chamber of Commerce under number 56164785. Lambert Capital BV is fully held by the heirs of Christophe Lambert.

Under the Company safeguard plan approved by the Bobigny Commercial Court on July 24, 2020, on July 28, 2020, Luc Besson (including his holding company Front Line) and the Vine funds also entered into a shareholders' agreement qualifying as a concerted action. This agreement includes, in particular, governance rules and drag-along and tag-along clauses:

- **Drag-along clause:** In the event of the sale or transfer by the Vine Funds to a third party other than Vine partners, by any means, of a majority of the shares subscribed as part of a reserved capital increase, and if the price of that sale/transfer is over €3.50, the Vine funds may force the Front Line - Luc Besson concert party to sell/transfer the same proportion of shares, on the same terms as those offered to the Vine Funds;
- **Tag-along clause:** At the request of Luc Besson, should the Vine Funds sell or transfer to a third party other than Vine partners, by any means, a majority of the shares subscribed under reserved capital increases, the Vine Funds must buy back or ensure that their buyer buys back the same proportion of shares held by the Front Line - Luc Besson concert party, on the same terms as those offered to the Vine Funds.

Following the cancellation of the sale of the shares of EuropaCorp SA on November 16, 2020 between Front Line, the seller, and Lambert Capital BV, the transferee, the 2,660,288 shares were returned to Front Line. Front Line again holds 15,596,191 shares and Lambert Capital BV 271,128 shares.

The shareholder agreement initially entered into on May 27, 2013 between Lambert Capital BV and Mr. Christophe Lambert, on the one hand, and Front Line and Mr. Luc Besson, on the other (AMF opinions 213C0631, 213C0686 and 214C0413) was terminated, which also put an end to their concert vis-à-vis EuropaCorp.

16.2 Shareholder voting rights

Each Company share carries one voting right.

16.3 Control of the Company

Following the restructuring of the Company on July 28, 2020, the Company is controlled by the concert formed by Front Line, Luc Besson and the Vine Funds, who jointly hold 72.93% of the share capital and voting rights (and 72.98% of the Company's actual voting rights).

On the filing date of the Universal Registration Document, the presence of two Independent Board Members out of the Board's four members is intended to ensure that the Company's control is not exercised in an abusive manner.

To the Company's knowledge, there is no shareholder agreement (particularly between executives) that could lead to restrictions on the transfer of shares or the exercise of voting rights other than the aforementioned shareholder agreements.

To the Company's knowledge, there is no agreement providing for compensation to Board members or employees if they resign or are laid off without valid reason or if their employment ceases because of a takeover bid.

16.4 Agreement whose implementation could result in a change of control

On July 28, 2020 Luc Besson (including his holding company Front Line) and the Vine funds also entered into a shareholders' agreement qualifying as a concerted action (see Section 16.1).

17 TRANSACTIONS WITH RELATED PARTIES

17.1 Details of transactions with related parties

17.1.1 Intra-group agreements

On April 1, 2002, EuropaCorp, EuropaCorp Distribution, EuropaCorp Home Entertainment, Intervista, and Dog Productions signed a cash management agreement entrusting EuropaCorp with the coordination of all needs and the cash surpluses for the companies that are a party to the agreement. To this end, the company is in charge of granting advances to and receiving them from its subsidiary companies, negotiating all short-term banking overdrafts by contracting market financing, and making all investments. Each advance granted by EuropaCorp to one of its subsidiaries accrues interest at a rate equal to the average monthly money market rate (monthly average of the EONIA rate) plus a payment of 1.5%. The agreement is renewed by tacit agreement annually.

On April 1, 2005, an amendment to this agreement was signed for the purpose of including within the scope of the agreement any company in which EuropaCorp were to hold an equity interest greater than or equal to 90% of the share capital. EuropaCorp Music Publishing, Ydéo, Roissy Films, EuropaCorp TV and EuropaCorp Aéroville, which are 100% owned by the company, have also signed the cash management agreement.

It should be noted that Blue Advertainment, Blue Event and Digital Factory joined the cash management agreement starting on March 1, 2013.

On April 22, 2016, EuropaCorp SA and Valerian SAS signed a treasury management agreement entrusting EuropaCorp SA with the coordination of all of Valerian SAS's treasury requirements. The agreement is renewed by tacit agreement annually.

T5 Production and Orchestra joined the cash management agreement in July 2017.

- **Tax consolidation agreement**

On April 2, 2007, EuropaCorp signed a tax consolidation agreement as part of the creation of a new consolidated group comprising EuropaCorp, Dog Productions, Intervista, EuropaCorp Distribution, EuropaCorp Home Entertainment, EuropaCorp Music Publishing, and Ydéo, for which EuropaCorp is the parent company. The purpose of this agreement is to organize the terms under which these companies intend to govern their relations within the new consolidated group. For a period of five financial years beginning April 1, 2007, EuropaCorp has thus agreed that it alone is liable for paying corporate income tax and the additional contribution described in Article 235 ter ZA of the French General Tax Code that is payable by the group formed by itself and its subsidiaries. This agreement is renewable by tacit agreement. Each company pays the corporation tax burden it would have owed on its own profits if it had been taxed separately, the tax savings are received by the group's head company. EuropaCorp TV and Roissy Films have been signatories to this agreement since the financial year ended on March 31, 2009. In June 2012, EuropaCorp requested approval for the accession of EuropaCorp Aéroville, which joined the agreement during the 2012/2013 financial year. The same is true for Blue Advertainment, Blue Event and Digital Factory, which joined the agreement during the 2012/2013 financial year. EuropaCorp Television SAS joined this tax consolidation agreement during the 2015/2016 financial year. Valérian and Valérian Holding joined the agreement in 2017/2018; Orchestra and T5 Production did the same in 2018/2019.

- **Administrative assistance agreement with Group companies**

In March 2013, the company terminated an administrative management agreement with Front Line under the terms of which Front Line provided services to the company and its subsidiaries.

As a result, on March 25, 2014, the Company signed an administrative assistance agreement with the following subsidiaries: Dog Productions, Intervista, EuropaCorp Distribution, EuropaCorp Home Entertainment, EuropaCorp Music Publishing, Roissy Films, EuropaCorp TV, Ydéo, EuropaCorp Aéroville, Blue Advertainment, Digital Factory and Blue Event, on the understanding that this agreement can be extended to any new EuropaCorp Group company.

Under this agreement, the company offers its subsidiaries the benefit of its assistance in administrative, financial, accounting, and legal services, and these benefits are rebilled to each subsidiary based on the share of expenses owed by it directly, on the basis of the cost price excluding VAT of the services provided, increased by a rate of 5%.

The agreement, which came into retroactive effect on April 1, 2013, was entered into for a period of one year from its taking effect and is renewable annually by tacit agreement, unless it is expressly terminated by one of the parties one month before the end of each calendar quarter.

The table below shows the amounts rebilled by EuropaCorp to each of its subsidiaries over the 2020/2021 financial year:

<i>(In thousands of euros)</i>	2020/2021
EuropaCorp Distribution	27
EuropaCorp Home Entertainment	42
EuropaCorp Télévision	259
Valérian SAS	2
T5 Production	2
Digital Factory	274
TOTAL	606

- **Commercial lease for the premises of La Cité du Cinéma**

On May 18, 2009, the Company signed an off-plan commercial lease agreement with EuropaCorp Studios for an office complex (also comprising screening and reception areas, service rooms and parking spaces) to be built on the La Cité du Cinéma site in Saint-Denis and delivered in 2012 (the "Lease Agreement"). The Lease Agreement was concluded for a period of 12 years, as from the delivery of the rented premises, for a rent of around €6.4 million per year indexed to 85% of the BT01 (French construction index) until the coming into effect of the lease.

EuropaCorp Studios transferred the Lease Agreement to La Nef Lumière, which acquired said office premises as lessor upon their delivery on April 6, 2012. Including the discount, the annual rent as of April 6, 2019 was €9.7 million, including charges. Under the terms of the Lease Agreement, the Company is expressly authorized to sublet all or part of the premises it is leasing.

The company's subsidiaries: EuropaCorp Distribution, EuropaCorp Home Entertainment, Intervista, Dog Productions, EuropaCorp Music Publishing, Ydéo, EuropaCorp Aéroville, EuropaCorp Television, Blue Advertainment, Blue Event, Digital Factory, EuropaCorp TV, Roissy Films, Valerian Holding, Valerian, T5 Production and Orchestra occupy the same premises as the company under leasing agreements or registration commitments signed between EuropaCorp and its subsidiaries.

Nef Lumière and EuropaCorp have agreed to amend the terms of the Lease by signing a partial termination amendment, providing for reduced surfaces and a lower price per square meter, giving rise to the payment of rent in arrears (€10.6 million), a termination penalty of €5.6 million payable over seven years, and the introduction of a "better-fortunes" clause that could give rise to the payment

of an additional sum of no more than €10 million (should the price of the shares subscribed by the Vine Funds allow them to be repaid for €181 million).

- **Subletting agreement concluded with Front Line**

On May 15, 2009, the Company concluded an agreement in principle with Front Line, defining the main terms and conditions of a subletting agreement, under the terms of which Front Line would undertake to sublease, with the option of subletting, part of the offices and workshops rented by EuropaCorp under the Lease Agreement, for the duration of the Lease Agreement, for an annual rent of around €3.9 million excluding service charges and common area maintenance fees, based on the same prices per square meter as those paid by EuropaCorp.

The subletting agreement was signed on June 21, 2013 between EuropaCorp and Front Line for a firm period of 12 years, which started on April 6, 2012 and will end on April 5, 2024.

Following the acquisition of Blue Advertainment, Blue Event and Digital Factory (whose rents were paid by Front Line before February 28, 2013), a new lease was signed on December 16, 2013 between EuropaCorp and Front Line in order to modify the surface areas sublet to Front Line. Under this new lease, Front Line will be paying EuropaCorp annual rent of €2.3 million, excluding service charges and common area maintenance fees. It should be noted that an amendment was signed on February 11, 2015 to reflect changes in the occupied space following the relocation of a Front Line employee. The space formerly used by this employee will now be available for EuropaCorp.

On September 29, 2017, Front Line and EuropaCorp signed a memorandum of understanding for the purpose of terminating the subleasing agreement. The termination will take place in stages through the gradual return of the spaces that are not or are no longer occupied by a sublease. Accordingly, the parties signed, pursuant to the terms and conditions of this MOU, several amendments intended to reduce the overall base of the lease.

- **Disposal of Normandy assets held by Digital Factory**

Under the safeguard plan of Digital Factory, the EuropaCorp Board of Directors authorized the disposal of all property held by Digital Factory and located at Trinité-des-laitiers for the sum of €1,500,000. The sale price will be determined on the basis of independent valuations.

In accordance with the Company's safeguard plan of July 24, 2020, the sale price allowed the repayment of the entire bank loan granted by the bank Martin Maurel, the outstanding capital of which was €380,000 on March 31, 2020.

The agreement was authorized by the Board of Directors on April 28, 2020.

The disposal of the assets took place on September 8, 2020. The debt to the Martin Maurel bank was settled on the same date.

17.1.2 Intra-group agreements entered into for the purposes of film production

The developments below explain the types of agreements that may be entered into between the companies of the Group (or between EuropaCorp and the companies in which it holds an equity stake) during the production or distribution of a film.

As long as the company holds the distribution rights for a film, the exploitation of these rights is guaranteed by EuropaCorp Distribution for distribution rights in theaters and by EuropaCorp Home Entertainment for video distribution rights. A distribution partnership was signed with Pathé Films for France in December 2018.

- *Distribution agreements between EuropaCorp and EuropaCorp Distribution*

When the company holds the exploitation rights of a film, the exploitation of the distribution rights

for theaters in France are guaranteed by EuropaCorp Distribution, which results in the signing of a distribution agreements between the company and its subsidiary. This exploitation agreement gives EuropaCorp Distribution, for an initial period of seven years on average from the theatrical release of a film, the exclusive right to represent or to authorize representation of the film in theaters and in other places in France and in so-called “institutional” circuits and to grant such rights of representation to theaters. EuropaCorp Distribution pays the publishing costs (advertising and printing of copies) for the film. It is customary for EuropaCorp Distribution to pay the Company, upon signing the distribution agreement, a fixed amount known as a “minimum guarantee,” as an advance on the receipts generated by the distribution of the film.

In compensation for its authorization, EuropaCorp Distribution receives a commission corresponding to a share of (i) the gross distributor receipts from the exploitation of the film in commercial sector theaters and (ii) gross distributor receipts for exploitation in non-commercial sector theaters.

- *Video license between EuropaCorp and EuropaCorp Home Entertainment*

When the company holds the exploitation for a film, the exploitation of the film on video in France is guaranteed by EuropaCorp Home Entertainment and results in the signing of an exploitation agreement for videograms of the film between the company and its subsidiary. Under this agreement, the company sells to EuropaCorp Home Entertainment on an exclusive basis, and for a fixed period (of several years up to 30 years) from the video release of the film, the exploitation rights to videograms of the film in the original French version, exclusively for rental and sale to the public, and for use in the “family circle”. To this end, EuropaCorp Home Entertainment acquires the reproduction rights for videogram formats for the original French version of the film and the marketing rights through the sale and/or rental of videograms to the public on French territory.

As consideration for the sale of the video exploitation rights, EuropaCorp Home Entertainment pays the company a fee corresponding to a share of the revenue achieved on the sale of videograms destined for the rental market or the public. It is customary for EuropaCorp Home Entertainment to pay the company, upon signing the distribution agreement, a fixed amount known as a “minimum guarantee,” as an advance on the receipts generated by the exploitation of the video rights sold.

Moreover, on April 1, 2008, EuropaCorp and EuropaCorp Home Entertainment signed an agreement respecting the management of VOD exploitation rights for EuropaCorp films.

- *Framework agreement between EuropaCorp Distribution and Ydéo relating to the development of marketing plans*

On April 1, 2005, EuropaCorp Distribution and Ydéo entered into a framework collaboration agreement under the terms of which EuropaCorp Distribution entrusts Ydéo with the management of the communication budgets of films distributed in France and in French-speaking countries by EuropaCorp Distribution. The services provided by Ydéo include marketing consultancy (evaluation and communication and creation strategy, media planning, rollout of creation and communication campaign strategy). Ydéo may also act on behalf of EuropaCorp Distribution as an agent for purchases of advertising space.

- *Intercompany Services Agreement between EuropaCorp and EuropaCorp Films USA Inc.*

EuropaCorp and EuropaCorp Films USA Inc. entered into a service provision agreement on February 20, 2014 for an initial period of five years, then tacitly renewed each year, under which EuropaCorp Films USA Inc. provides services to EuropaCorp in the United States. These services include distribution of films produced by EuropaCorp and distributed by RED (now “EuropaCorp Distribution LLC”), developing and managing the Group’s business in this territory and administrative, financial and accounting services.

These services are invoiced to EuropaCorp on the basis of the cost price excluding VAT of the

services provided, increased by a rate of 5%.

An amendment to the agreement was signed on March 30, 2018, stipulating that general fees for the development of television series will be re invoiced to EuropaCorp Television SAS.

- *EuropaCorp Single Picture License Agreement*

EuropaCorp and EuropaCorp Films USA Inc. entered into a license agreement on April 15, 2015 for the film *Transporter Refueled*. Under the terms of this agreement, EuropaCorp grants exclusive rights to EuropaCorp Films USA Inc. for an initial period of seven years, to exploit, screen or authorize the screening of the film *Transporter Refueled* via any medium, distribute, promote, with the option to assign these rights to a third party.

The distribution costs are charged to EuropaCorp Films USA Inc. and the gross exploitation receipts are distributed as follows and in the following order:

- firstly, 20% to EuropaCorp Films USA Inc. as a distribution commission;
- then, 15% to EuropaCorp;
- then, to EuropaCorp Films USA Inc. until the distribution costs it has borne have been reimbursed;
- finally, the balance is paid to EuropaCorp.

The same agreement was signed for the films *Big Game* (April 15, 2015), *Nine Lives* (August 5, 2016), *Shut In* (November 11, 2016), *Miss Sloane* (November 25, 2016) and *Renegades* (November 2, 2018).

- *Rights assignment contract between EuropaCorp and Valerian*

On December 18, 2015, EuropaCorp and Valerian signed a rights assignment contract for the film *Valerian and the City of a Thousand Planets*. Under the terms of this agreement, EuropaCorp grants Valerian the exclusive right to reproduce, represent and adapt the film *Valerian and the City of a Thousand Planets*. EuropaCorp retains prequel, sequel, remake, animated series and spin-off rights.

- *Rights assignment contract between EuropaCorp and T5 Production*

On July 18, 2017, EuropaCorp and T5 Production signed a rights assignment contract for the film *Taxi 5*. According to the terms of the contract, EuropaCorp will grant T5 Production the exclusive exploitation rights previously acquired from the various authors of the film.

Other than these intra-group agreements, the Company has entered into the following material agreements:

- **Service provision agreement with EuropaCorp Films USA Inc.**

On February 20, 2014, EuropaCorp and its wholly owned subsidiary EuropaCorp Films USA Inc. entered into a service provision agreement (Intercompany Services Agreement) under which EuropaCorp Films USA Inc. will provide services to EuropaCorp, particularly in the field of film development and management. EuropaCorp Films USA Inc. bills these services to EuropaCorp at cost plus 5%. This agreement was concluded for an initial period of five years, i.e. until February 20, 2019, and then renewed tacitly each year.

An amendment to the agreement was signed on March 30, 2018, stipulating that general fees for the development of television series will be re invoiced to EuropaCorp Television SAS.

- **Coproduction contracts and cinematography service agreements between EuropaCorp and Apipoulai Prod**

In the past, Apipoulai Prod – a 99.80% held subsidiary of Front Line managed by Luc Besson – co-produced certain films alongside EuropaCorp. In keeping with Luc Besson's commitment, this company's compensation as co-producer of these production projects did not exceed 10% of

EuropaCorp's net producer receipts after deduction of the cost of the film.

As from the end of the 2012/2013 financial year, Apipoulai Prod no longer takes part in any new coproductions with EuropaCorp.

- **Cooperation agreement between EuropaCorp and Seaside Films Company**

Through a private agreement signed on February 11, 2003, the California registered Seaside Films Company, controlled by Luc Besson, retroactively undertook, as from April 1, 2002, to search for and develop screenplays that can be used for the production of films in the United States. EuropaCorp holds the screenplay rights, whether it has developed the screenplays itself or whether they stem from an individual subcontractor or legal entity (author, writer, screenwriter, etc.). The agreement involves a fixed annual compensation of \$200,000, plus the compensation paid to any subcontractors, which Seaside Films Company reinvoices to EuropaCorp at cost, without any profit margin.

At its meeting of April 17, 2012, EuropaCorp's Board of Directors authorized the signing of a rider increasing the fixed annual compensation to \$270,000 as from April 1, 2012, given that this fixed compensation had not changed in nine years. Moreover, during that meeting, the principle of an adjustment invoice of \$120,000 was authorized for the financial year ended on March 31, 2012, in order to take account of additional residual costs defrayed by Seaside Films Company.

This agreement was terminated in 2013.

In accordance with EuropaCorp's undertakings toward CDC Entreprises Elan PME and Habert Dassault Finances as part of the cash capital increase of February 2013, on March 18, 2013, the Company established an American subsidiary, EuropaCorp Films USA Inc., now responsible for developing scripts for film productions.

Previously it was Seaside Films Company that developed the scripts. Thus, this company is no longer paid for this work. Only the expenses incurred by Seaside (mainly intellectual property rights) are reinvoiced, without any profit margin, to EuropaCorp.

As of March 31, 2021, no amount had been invoiced by Seaside Films Company to EuropaCorp.

On March 29, 2021, a cooperation agreement was signed between EuropaCorp and Seaside Films. The parties agreed that Seaside Films will once again operate as copyright manager. Seaside Films will rebill its costs to EuropaCorp in euros and will apply a mark-up of 5% on the re-invoiced expenses to cover its own general and administrative expenses.

More specifically, Seaside Films Company will:

- Act for EuropaCorp as a signatory entity with the American guilds - American professional unions;
- Hire talents or technicians from American guilds at the request of EuropaCorp. The talents / technicians thus recruited will be paid by Seaside Films Company but will work for EuropaCorp;
- Ensure administrative management in connection with the guilds: invoicing, payment, correspondence, updating of contracts.

This agreement was authorized by the Board of Directors on March 25, 2021 and replaces the agreement signed on February 11, 2003. It had no effect on the financial year.

- **Creation of special purpose subsidiaries by Seaside Films Company**

As is customary in the United States, when EuropaCorp is executive producer of a film for which part of the shooting is due to take place in the United States, EuropaCorp must find a service provider to create a special purpose company. This special purpose entity is set up to handle the technical, labor-related and tax-related aspects of the shooting operations on American soil and reinvoice EuropaCorp

for the real cost of the services paid for shooting in the United States. This type of company may also be set up for the management of American talent with respect to trade unions, for shootings outside France.

- **Agreements between Luc Besson and Group companies for the production of a film**

Luc Besson often acts as author, co-author, screenwriter or director of the films produced or co-produced by EuropaCorp. To this effect, he enters into agreements with EuropaCorp, either as publisher, author, author-screenwriter, author-director, or director-technician, depending on the projects.

Under the terms of the Company safeguard plan, EuropaCorp has exclusive rights to the works of Luc Besson in his capacity as author, director and producer of any audiovisual entertainment content (including films and television series) under the conditions described in Section 13.1.1.

- **Subletting agreement with the “B.O.” restaurant**

On October 15, 2013, EuropaCorp concluded with the company B.O. SARL, owned at 51% by Front Line, a commercial sublease for premises located on the ground floor of the central nave of La Cité du Cinéma.

On April 15, 2015, EuropaCorp and B.O. SARL signed an amendment to the commercial sublease of October 15, 2013 under the terms of which:

- EuropaCorp recognizes that the leased premises are now regarded as divisible and that B.O. therefore has a direct right to renewal of the lease, within the meaning of Article L.145-32, paragraph 2, of the French Commercial Code and subject to the owner’s approval;
- EuropaCorp agrees to bear one third of the costs of the work carried out by B.O. (€716 thousand excl. tax), i.e. €239 thousand excl. tax;
- EuropaCorp grants B.O. an additional three-month rent-free period (in addition to the 12 months already granted from April 1, 2013 to March 31, 2014) since the work only began in July 2013, instead of April 2013;
- on expiry of the lease, if EuropaCorp requires the premises to be restored to their original state, B.O. would not be liable for the costs of this rehabilitation work.

The importance is underlined of continuing to have a good restaurant at La Cité du Cinéma, both to facilitate office subletting, and for EuropaCorp’s own operational requirements, given the absence of any comparable offering nearby. Consequently, it was considered to be in EuropaCorp’s interest that B.O. should continue trading, both for its own business and to support the offering of its subsidiary Les Studios de Paris.

- **Credit and security agreements dated October 22, 2014, in particular between EuropaCorp Films USA Inc., EuropaCorp, some of its subsidiaries and JP Morgan Chase Bank NA.**

On October 22, 2014, two credit agreements in English entitled Credit, Security, Guaranty and Pledge Agreement (the Senior Credit Line) and Second Line Credit, Security, Guaranty and Pledge Agreement (the Second Line Credit) were entered into by EuropaCorp Films USA Inc. as Borrower, EuropaCorp SA as Parent, Blue Advertainment, Digital Factory, EuropaCorp Distribution, EuropaCorp Home Entertainment, EuropaCorp Music Publishing, Roissy Films and Ydéo as Guarantors, the Lenders, and JP Morgan Chase Bank NA acting as Agent.

EuropaCorp and the subsidiaries listed above (of which the Company is both the sole partner and the Chairman), parties to the Credit Agreements in their capacity as Guarantors, have granted a certain number of first- and second-lien guarantees in favor of JP Morgan Chase Bank NA acting as Agent, lenders and other beneficiaries under the Credit Agreements.

On September 30, 2016, June 2, 2017 and December 24, 2018, two amendments to the *Credit, Security, Guaranty and Pledge Agreement* and *Second Lien Credit, Security, Guaranty and Pledge Agreement* were concluded between the parties.

Under the Company's safeguard plan, the debt resulting from the senior credit facility became payable by EuropaCorp SA, and will be repaid by the Company over seven years, through its guarantee of EuropaCorp Films USA Inc.'s undertakings, and in accordance with the EuropaCorp Films USA Inc. safeguard plan.

In accordance with the safeguard plans of the subsidiaries, the guaranteeing companies EuropaCorp Music Publishing and Roissy Films have been transferred in full to their sole partner EuropaCorp SA.

Following the repayment of the last installment, the lenders will have been repaid in full, such that EuropaCorp Films USA Inc. and the guarantors of the Senior Credit facility will be free of any obligation towards the Senior Credit lenders and all securities will be released.

In terms of the Second Lien Credit, the debt became payable by EuropaCorp SA through its guarantee of EuropaCorp Films USA Inc.'s undertakings and was capitalized in full as part of the Company's safeguard plan. All securities related to this contract are in the process of being released.

- **Participation Agreement with Vine Advisors LP**

On December 31, 2014, EuropaCorp, EuropaCorp Films USA Inc. and Vine Investment Advisors LP, acting as Agent for various investors, entered into an agreement entitled Amended and Restated Secured Participation Agreement, under the terms of which EuropaCorp granted a 15% Participation Interest in the income generated by the films distributed by EuropaCorp Films USA Inc. with the support of EuropaCorp Distribution LLC (formerly RED) in the United States, subject to a Maximum Participation Amount of \$100 million.

As security for the payment of this amount, EuropaCorp and some of its subsidiaries (Blue Advertainment, Digital Factory, EuropaCorp Distribution, EuropaCorp Home Entertainment, EuropaCorp Music Publishing, Roissy Films and Ydéo) granted third-line guarantees on all of their assets, as specified in the notes to the consolidated financial statements (Appendix 1), to the exclusion of any other guarantee.

All of the debt to the Vine funds under the Participation Agreement has been capitalized under the Company's safeguard plan. All securities related to this contract are in the process of being released.

- **Credit and security agreement dated July 30, 2020 between EuropaCorp Pictures LLC, EuropaCorp Finance LLC, a number of its subsidiaries and Comerica Bank**

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

This credit line is secured against future films and lenders are also entitled to a golden share in EuropaCorp Pictures LLC enabling them, in short, to take control of it.

- **The contract entitled Co-Financing/Co-production Agreement agreed between Fundamental Films and EuropaCorp for the film *Transporter - Refueled***

For this contract signed on October 2, 2014, Fundamental Films invested 5% of the cost of the film *Transporter Refueled* in exchange for distribution rights in China and a share of worldwide earnings.

- **Coproduction contract signed by Fundamental Films and EuropaCorp for the film *The Warrior's Gate*** For this contract, signed on March 23, 2015, EuropaCorp took on a share of the cost of the film *The Warrior's Gate* (approximately 30%) and, therefore, holds 20% of the loss share and income share.
- **Output deal contract signed by Fundamental Films and EuropaCorp**

By the document dated August 7, 2015, Fundamental Films agreed to acquire the rights for China for a minimum of 20 films proposed by the Company, under a financial conditions framework and over a period of five years.

During the 2017/2018 financial year, EuropaCorp recorded revenue of approximately €3.8 million from this output deal (generated by the film *Valerian and the City of a Thousand Planets*).

- **Contract entitled Co-financing agreement agreed between Fundamental Films and Valerian for the film *Valerian and the City of a Thousand Planets***

Fundamental Films invested \$43 million in the film *Valerian and the City of a Thousand Planets* in exchange for a share of worldwide earnings.

- **Distribution agreement between Fundamental Films and EuropaCorp for the film *Valerian and the City of a Thousand Planets***

Via the document dated October 6, 2015, Fundamental Films acquired the distribution rights for all media for China (as well as Hong Kong and Macao) for *Valerian and the City of a Thousand Planets* in exchange for a guaranteed minimum of \$4.2 million.

- **The contract entitled Co-financing Agreement agreed between Fundamental Films and EuropaCorp for the film *Nine Lives***

Under this contract, Fundamental Films invested \$5 million in the film *Nine Lives* in exchange for a share of worldwide earnings.

- **Contract entitled Producer Agreement between Curious Media and EuropaCorp for the film *Anna***

On September 20, 2017, EuropaCorp and Curious Media LLC dba Global Produce signed a contract for the production of the film *Anna*.

Marc Shmuger's expected fixed compensation is \$500,000 for the production services provided for the film.

Subject to the conditions precedent below, Marc Shmuger will receive variable compensation based on the Domestic Box Office as follows:

- \$0 if the Domestic Box Office is less than \$60 million;
- + \$100,000 if the film earns \$60 million in Domestic Box Office;
- + \$100,000 if the film earns \$70 million in Domestic Box Office;
- + \$100,000 if the film earns \$80 million in Domestic Box Office;
- + \$100,000 if the film earns \$90 million in Domestic Box Office.

The bonus is payable by Summit under the conditions below.

- **Contract entitled Coproduction and Distribution Agreement between Summit and EuropaCorp**

On October 27, 2017, EuropaCorp and Summit Entertainment LLC signed a coproduction and distribution contract for the film *Anna*.

Subject to the conditions precedent below, Summit will pay Marc Shmuger variable compensation based on the Domestic Box Office of the film as follows:

- \$0 if the Domestic Box Office is less than \$60 million;
- + \$100,000 if the film earns \$60 million in Domestic Box Office;
- + \$100,000 if the film earns \$70 million in Domestic Box Office;
- + \$100,000 if the film earns \$80 million in Domestic Box Office;
- + \$100,000 if the film earns \$90 million in Domestic Box Office.

The bonus is subject to the following conditions precedent:

- The appointment of Marc Shmuger as the film's producer;
- Marc Shmuger cannot be either a corporate officer or executive of EuropaCorp or of any affiliated companies on the date of the film's release. This condition is specified in the contract and will be met as of January 1, 2018.

The bonus is enforceable by Summit on EuropaCorp for the determination of the net earnings of the film, 50% of which are due to EuropaCorp.

17.2 Statutory Auditors' Special report on related-party agreements and commitments for the financial year ended on March 31, 2021

To the General Meeting of EuropaCorp,

In our capacity as the Statutory Auditors of your company, we present to you our report on the regulated agreements.

It is our responsibility to inform you, on the basis of the information that we were given, of the characteristics, basic terms as well as the reasons justifying the interest for the company of the agreements of which we have been advised or would have discovered during the performance of our mission, without having to express a view on their usefulness and merits or to determine whether other agreements exist. It is your responsibility, under Article R.225-31 of the French Commercial Code, to evaluate the benefits resulting from these agreements prior to their approval.

Moreover, it is our responsibility, if necessary, to submit to you the information specified in Article R.225-31 of the French Commercial Code relating to the performance, during the past financial year, of the agreements already approved by the General Meeting.

We have conducted the due diligence that we considered necessary with respect to the professional doctrine of the French National Company of Statutory Auditors relating to this mission. This due diligence consisted of verifying whether the information given to us was in agreement with the basic documents from which it is derived.

1. *Agreements subject to the approval of the General Meeting*

1.1. **Agreements authorized and entered into during the past financial year**

Pursuant to Article R.225-40 of the French Commercial Code, we were informed of the following agreements signed during the past financial year and already approved by your Board of Directors.

1.1.1. Cooperation agreement between EuropaCorp and Seaside Films Company

Persons concerned: Luc Besson, Chairman of the Board of Directors of EuropaCorp, Chief Executive Officer and shareholder of your company and majority shareholder of Seaside Films Company.

Nature and purpose:

On March 29, 2021, your company entered into a cooperation agreement with Seaside Films Company, a company incorporated under California law owned by Mr. Luc Besson. Under this contract, Seaside Films Company is expected to:

- Act for EuropaCorp as a signatory entity with the American guilds - American professional unions;
- Hiring, at EuropaCorp's request, of talents or technicians from American guilds. The talents/technicians thus recruited will be paid by Seaside Films Company but will work for your company;
- Ensures administrative management in connection with the guilds: invoicing, payment, correspondence, updating of contracts.

In return for these services, EuropaCorp will reimburse Seaside Films Company for all costs incurred in connection with the recruitment and payment of talents / technicians. These reimbursements will be increased by a mark up of 5%.

This agreement was authorized by the Board of Directors on March 25, 2021. This agreement replaces

the agreement signed on February 11, 2003.
The agreement had no effect on the financial year.

2. *Agreements already approved by the General meeting*

2.1. **Agreements approved during previous financial years the performance of which continued during the past financial year**

Pursuant to Article R.225-30 of the French Commercial Code, we were informed that the performance of the following agreements, which had already been approved by the General Meeting during previous financial years, continued during the past year.

2.1.1. Service provision agreement with Gestion Management et Conseils

Persons concerned:

- Gestion Management & Conseils, controlled and managed by Régis Marillas;
- Régis Marillas, Deputy Chief Executive Officer of EuropaCorp.

Nature and purpose:

EuropaCorp entered into a service agreement with Gestion Management & Conseils to oversee the duties of Mr. Régis Marillas within the company. This agreement became effective on October 1, 2018. The agreement stipulates fixed monthly fees of €35,000. The contract also notes that if EuropaCorp's Board of Directors were to make the beneficiary a corporate officer of the company, he would receive no compensation for this role. This contract is signed for a period of three months, renewable by a two-month period through tacit agreement.

Régis Marillas was appointed Deputy Chief Executive Officer on September 24, 2018. Under this agreement, during the financial year your company paid €315,000 excluding tax, corresponding to the fixed monthly remuneration, as well as an additional remuneration of €360,000.

This agreement was approved by the Board of Directors of September 24, 2018. It was terminated when Mr. Marillas left his office as Deputy Chief Executive Officer.

2.1.2. Luc Besson Production domiciliation agreement

Person concerned: Luc Besson, Chairman of the Board of Directors, Chief Executive Officer and shareholder of your company, Chairman and majority shareholder of Front Line and Chairman and sole partner of Luc Besson Production (LBP).

Purpose of the contract:

EuropaCorp agreed to the domiciliation on its premises free of charge of Luc Besson Production, a company wholly owned by Luc Besson and newly created in accordance with the EuropaCorp safeguard plan.

The agreement was authorized by the Board of Directors of your company on April 28, 2020.
This agreement has no financial impact on the financial statements of March 31, 2021.

2.1.3. Disposal of Normandy assets held by Digital Factory

Person concerned: Luc Besson, Chairman of the Board of Directors, Chief Executive Officer and shareholder of your company, legal representative of Digital Factory, wholly owned by your company and majority shareholder of SCI La Trinité.

Purpose of the contract:

Under the safeguard plan of Digital Factory, the Board of Directors of your company authorized the disposal of all property held by Digital Factory and located at Trinité-des-laitiers for the sum of

€1,500,000.

The sale price will be determined on the basis of independent valuations.

In accordance with the safeguard plan approved on July 24, 2020, the sale price will be used to repay in full the bank loan granted by Martin Maurel bank, the outstanding capital of which was €380,000 as of March 31, 2020.

The agreement was authorized by the Board of Directors of your company on April 28, 2020.

The disposal of the assets took place on September 8, 2020. The debt to the Martin Maurel bank was settled on the same date.

2.1.4. Lease with Front Line

Persons concerned:

- Front Line, member of the Board of Directors and shareholder of your company;
- Luc Besson, Chairman of the Board of Directors, Chief Executive and shareholder of your company and Chairman and majority shareholder of Front Line.

Nature and purpose:

On June 21, 2013, your company signed a 12-year subleasing agreement with Front Line, with retroactive effect to April 6, 2012, due to end on April 5, 2024.

Following the acquisition of the subsidiaries Blue Advertainment, Blue Event and Digital Factory by your company (formerly held by Front Line), a new lease contract was signed on December 16, 2013 to modify the surface areas sublet to Front Line. This new lease provides for an annual sub-lease amount of €2.3 million, excluding service charges and common area maintenance fees, based on the same prices per square meter as those paid by your company.

On February 11, 2015, a new amendment was signed to reflect the changes in the occupied space following the relocation of a Front Line employee. The space formerly occupied by this employee will now be available for EuropaCorp.

The Board of Directors of your company authorized this amendment at its meeting of March 26, 2015.

The Board of Directors nonetheless noted:

- that Front Line did not consistently pay its rent;
- that the premises leased by Front Line are little used by the company, but rather by sub-lessees - it being noted that the lease provided Front line with a sublease option.

Consequently, at its meeting of May 23, 2017, the Board of Directors of your company authorized Senior Management to:

- terminate the lease of December 16, 2013;
- obtain a transfer of the contracts with the current Front Line sub-lessees;
- take all measures required to settle any rent amounts due.

Accordingly:

- On March 27, 2019, your company's Board of Directors approved a new payment schedule so that Front Line may settle the balance of its rent liability, totaling €319,982.56 as of that date, via 30 monthly payments beginning on April 1, 2019. However, Front Line entered safeguard proceedings on May 28, 2019. In the Front Line plan, Front Line's debt to your company was declared to amount to €309,248.30; The FrontLine safeguard plan provides for settlement in three installments. As of March 31, 2021, the first two installments had been settled in accordance with the plan.
- On September 29, 2017, the parties signed a memorandum of understanding for the purpose of terminating the subleasing agreement of December 16, 2013. The termination will take place in stages through the gradual return of the spaces that are not or are no longer occupied by a sublease. Accordingly, the parties signed, pursuant to the terms and conditions of this memorandum, several amendments intended to reduce the overall base of the lease. As of March 31, 2021, the amendments relating to Les Studios de Paris remained

to be signed.

For the financial year, the amount invoiced to Front Line (including charges and common areas) amounted to €16,401.08.

2.1.5. La Cité du Cinéma film studio financing: memorandum of understanding and granting of guarantees for the lease contract.

The following decisions, as well as the agreements resulting therefrom, were deemed to constitute regulated agreements, given the indirect interest of Front Line, a 10% co-partner of SCI Les Studios de Paris. These agreements were approved by the Board of Directors on March 23, 2010.

Signature of a memorandum of understanding

Persons concerned:

- Front Line, a member of the Board of Directors of your company and co-partner of SCI Les Studios de Paris;
- Luc Besson, Chairman of the Board of Directors of your company and Chairman of Front Line.

Nature and purpose:

On May 13, 2009, your company signed a memorandum of understanding relating to the equity participation of two companies to be formed in connection with the La Cité du Cinéma project. Under the terms of this memorandum, your Company undertook to partner with several companies, including Front Line, with a 40% and 9.99% stake, respectively, within SCI Les Studios de Paris

On July 29, 2009, your company entered into a shareholders' agreement concerning Les Studios de Paris. The purpose of the agreement was to define the terms of their equity participation in the company.

Your company is also committed, with the same partners as those with which it has partnered in SCI Les Studios de Paris, to become a partner with a 40% stake in Société d'Exploitation des Studios de Paris, which is in charge of the operational management of the La Cité du Cinéma filming studios.

Signature of a lease agreement

Persons concerned:

- Front Line, member of the Board of Directors of your company, legal entity Chairman of EuropaCorp Studios and with an indirect holding in, and co-partner of, SCI Les Studios de Paris;
- Luc Besson, Chairman of the Board of Directors of your company and Chairman of Front Line.

Nature and purpose:

On March 23, 2010, the Board of Directors of your company authorized the signing of a real estate lease by SCI Les Studios de Paris with a pool of leasing companies. This agreement concerns the acquisition of La Cité du Cinéma shooting sets.

In connection with this lease, your company has entered into a pledge agreement in favor of the lending bank pool for 300,000 shares that it holds in SCI Les Studios de Paris in order to guarantee its commitments amounting to €18 million.

The lease was also accompanied by a lock-up commitment under which the company undertakes not to sell, during the term of the lease, without the prior agreement of the pool of lending banks, the shares that it holds in the SCI and Société d'Exploitation des Studios de Paris.

Lastly, as part of this transaction, the Board of Directors also authorized your company to sign a guarantee with BCME-Arkéa for €1,300,000.

On May 10, 2017, a total transfer of assets was completed between the companies SAS Studio de Paris

and SCI Studios de Paris. Following this transaction, SCI Studios de Paris changed its name to “Les Studios de Paris”.

Subletting agreement with B.O. SARL

Persons concerned:

- Front Line, a member of the Board of Directors of your company, and shareholder in the company B.O. with a 51% stake;
- Luc Besson, Chairman of the Board of Directors of EuropaCorp, Chief Executive Officer and shareholder of your company and Chairman and majority shareholder of Front Line.

Nature and purpose:

EuropaCorp and the restaurant Le B.O entered into a subletting agreement for ground-floor premises in the central hall of La Cité du Cinéma.

An amendment to the commercial subletting agreement for ground-floor premises in the central hall of La Cité du Cinéma, originally entered into with B.O. on October 15, 2013, was signed on April 8, 2015.

Under the terms of this amendment:

- your company recognizes that the leased premises are divisible and, therefore, that B.O. has a direct right to renewal of the lease, within the meaning of Article L.145-32, paragraph 2, of the French Commercial Code and subject to the owner's agreement;
- your company agrees to cover a third of the work carried out by B.O., i.e. the amount of €239 thousand, with the total work amounting to €716 thousand;
- your company grants B.O. an additional three-month rent-free period (in addition to the 12 months already granted from April 1, 2013 to March 31, 2014), since the work only finally began in July 2013, instead of April 2013;
- on expiry of the lease, if your company requires the premises to be restored to their original state, B.O. will not be liable for the costs of this rehabilitation work.

The amendment, considered a regulated agreement owing to Front Line's indirect interest, was authorized at the Board of Directors meeting of March 26, 2015.

2.2. Agreements approved in prior financial years that were not executed during the past year

Furthermore, we have been informed of the continuation of the following agreements already approved by the General Meeting in prior financial years that were not executed during the past year.

2.2.1. Agreements entered into as part of the reorganization of the Group

Person concerned: Luc Besson, Chairman of the Board of Directors, Chief Executive Officer and shareholder of your company, Chairman and majority shareholder of Front Line and Chairman and sole partner of Luc Besson Production (LBP).

Purpose of the contract:

As part of the safeguard plan and reorganizations provided for in the plan, your company has entered into various contracts:

- The Governance Matters agreement entered into in February 2020 by your company, Luc Besson, Front Line and the investment funds Vine Investments Advisors and Vine Alternative Investments III;
- The LB Agreement or cooperation agreement entered into in February 2020 by your company, Luc Besson and the investment funds Vine Investments Advisors and Vine Alternative Investments III.

Following the restructuring provided for as part of the safeguard plan, Luc Besson will no longer be the

majority shareholder of EuropaCorp which will instead be controlled by Vine Fund III.

Luc Besson will remain a member of the Company's Board of Directors as Chairman and Chief Executive Officer pending the appointment of a new Chairman and CEO by the Board of Directors of your company.

Thereafter, Luc Besson will hold the position of Artistic Director of your company and, as such, will oversee all production and artistic activities of the EuropaCorp group.

In this context, given that the ongoing relationship with Luc Besson is a key factor in finalizing the operation, EuropaCorp, Luc Besson Production - a company newly created for the purpose of restructuring the Group and independent from EuropaCorp - and Luc Besson have committed to signing a Cooperation Agreement for the purpose of the Restructuring in order to embed this relationship. This is a five-year commitment which may be extended for a further two years.

During this period, Luc Besson will receive fixed annual fixed compensation of \$600 thousand in respect of his role as Artistic Director, as well as his existing expatriation package of \$1 million.

At the end of the period of exclusivity, Luc Besson will offer EuropaCorp the option of acquiring the scripts that have not yet been produced during the exclusivity period for a minimum guarantee of \$1,000 thousand to be charged against 5% of the RNPP.

In particular, under this agreement Luc Besson has committed to working exclusively with EuropaCorp and Luc Besson Production as author, director and/or producer for any audiovisual entertainment, whether a film or series, and to giving EuropaCorp first refusal.

Luc Besson will offer all his projects to EuropaCorp, which will have first refusal. The projects selected by EuropaCorp will be funded by the future company, US Borrower. US Borrower will acquire the worldwide distribution rights from Luc Besson Production and will then become the beneficiary of all exploitation rights for the film. Your company will then pay the remainder in exchange for the transferable intellectual property rights and any other residual financial rights relating to the films and series produced.

Each project will be allocated a dedicated budget. Luc Besson Production's compensation will be calculated according to his role in the various projects. He will:

- where relevant, receive a minimum guarantee of between \$400 thousand and \$1.6 million for his role as author of any English-language films with international exposure, to be charged against 5% of RNPP;
- where relevant, receive a minimum guarantee of between \$2 million and \$6 million for his role as director of any English-language films with international exposure, to be charged against 5% of RNPP;

all producers will receive total compensation of between \$350 thousand and \$2,000 thousand for any English-language films with international exposure, which will include any portion owed to Luc Besson Production.

Finally, annual compensation equivalent to 1% of the market capitalization of EuropaCorp, payable in shares will be awarded to Luc Besson in the event that two English-language films with international exposure, written and/or directed by Luc Besson, and the budgets of which are covered in full by pre-sales are offered to the EuropaCorp Group.

The agreements have been in effect since the approval of the safeguard plan for your company. They had no financial impact on your company for the financial year ended March 31, 2020.

These agreements were authorized by your Board of Directors on February 6, 2020 when the draft safeguard plan was approved.

2.2.2. Cooperation agreement between EuropaCorp and Seaside Films Company

Persons concerned:

- Luc Besson, Chairman of the Board of Directors of EuropaCorp, Chief Executive Officer and shareholder of your company and majority shareholder of Seaside Films Company;

Nature and purpose:

On February 11, 2003, your company signed a cooperation agreement with retroactive effect to April 1, 2002 with Seaside Films Company, based in California. As part of the agreement, Seaside Films Company assisted your company with research and development in the United States for scripts which could be used as the basis for the production of films. The agreement provided for annual fixed compensation of \$200,000, plus compensation for any subcontractors, which Seaside Films Company charged to your company at actual cost, without any profit margin.

At its meeting of April 17, 2012, the Board of Directors of your company authorized the signing of a rider increasing the fixed annual compensation to \$270,000 as from April 1, 2012. Moreover, during that meeting, an adjustment invoice of \$120,000 was authorized for the financial year ended March 31, 2012, to take into account any additional costs incurred by Seaside Films Company.

On March 18, 2013, your company established a U.S. subsidiary, EuropaCorp Films USA Inc., to take over script development. Seaside Films Company is therefore no longer paid for this service. Only the expenses incurred by Seaside Films Company, mainly for copyright, are reinvoiced, without any profit margin, to your company.

The agreement had no impact on the financial year. This agreement was replaced by a new agreement signed on March 29, 2021.

Paris and Vincennes, July 22, 2021

Auditeurs & Conseils Associés

ACA Nexia

represented by
Eric Chapus

Acofex

represented by
Bruno Malivoire

18 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS

18.1 Historical financial information

The Company's consolidated financial statements for the financial year ended on March 31, 2021, prepared in accordance with IFRS, are included in Appendix 1 to this Universal Registration Document.

The Company's last audited financial statements are the consolidated financial statements for the financial year ended on March 31, 2021.

Verification of the historical annual financial information: Statutory Auditors' report on the Company's consolidated financial statements for the year ended March 31, 2021

To the General Meeting of EuropaCorp,

1. Opinion

Pursuant to the mission entrusted to us by your General Meeting, we conducted the audit of the consolidated financial statements of EuropaCorp for the financial year ended on March 31, 2021 as attached to this report.

We certify that the consolidated financial statements are, with regard to the IFRS standards as adopted in the European Union, regular and fair and give a true and fair view of the results of the operations of the past financial year as well as the financial position and assets, at the end of the financial year, of the group comprising the persons and entities included in the consolidation.

The opinion provided above is consistent with the content of our report to the Audit Committee.

2. Basis of our opinion

Audit standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that the items we have collected form a sufficient and appropriate basis for our opinion.

The responsibilities incumbent upon us under these standards are indicated in the section

"Responsibilities of the Statutory Auditors in relation to the audit of the consolidated financial statements" of this report.

Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and in the Statutory Auditors' code of ethics for the period from April 1, 2020 to the date of issuance of our report, and we specifically did not provide any services prohibited by Article 5, paragraph 1 of Regulation (EU) no. 537/2014

3. Justification of our assessments – Key points of the audit

The global crisis related to the Covid-19 pandemic created special conditions for the preparation and audit of the financial statements for this financial year. Indeed, this crisis and the exceptional measures taken within the framework of the state of health emergency entailed multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainties on their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and on the way audits have been carried out.

It is in this complex and evolving context that, pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the year, as well as the responses we have provided to these risks.

The assessments thus made are part of our audit of the consolidated financial statements, taken as a whole, approved as previously stated, and therefore contributed to the formation of our opinion expressed above. We do not express an opinion on the elements of the consolidated financial statements considered individually.

Recognition of Television and International Sales revenue

(Notes 2.18 and 4.1 of the notes to the consolidated financial statements)

Risk identified

As of March 31, 2021, the Group had revenue of €41.5 million, of which 29% from international rights sales contracts called “International Sales” and 60% from the sale of TV rights.

As explained in Notes 2.18.2 and 2.18.3 of the notes to the consolidated financial statements, the principles for recognizing revenue from International Sales, TV sales and distribution in movie theaters are different. In addition, multi-rights contracts can include several operational phases for a work, which can be a source of complexity when identifying revenue-generating events.

As a result, we have considered the recognition of revenue from International Sales, Theatrical distribution and Television sales as a key point of our audit due to its significant impact on the Group’s financial statements.

Our answer

We reviewed the internal control procedures implemented and tested the main controls in place for revenue recognition. To obtain a sampling of TV and International sales contracts deemed significant due to their financial impact:

- we compared contract data with management and accounting data;
- we ensured that revenue recognition principles were applied.

We also implemented substantial controls on a sampling of trade receivables and invoices to be created to assess Management’s estimates.

Valuation of film and audiovisual rights

(Notes 2.7.4 and 3.2 of the notes to the consolidated financial statements)

Risk identified

As of March 31, 2021, the films and audiovisual works produced or distributed by the EuropaCorp Group represented intangible fixed assets in the net amount of €39.7 million.

As mentioned in Note 2.7.4 of the notes, film and audiovisual works are amortized using the estimated revenue method which is the best-suited method to reflect the consumption of the future economic benefits of these assets. This method consists in applying to the cost of the film the ratio resulting from the comparison between the net revenue earned and the total net projected revenue for a period of 12 years as of the date of first use.

The estimate of net projected revenue is reviewed by management and adjusted, if required, based on contracts signed or planned, on the report by the independent expert appointed by the company for international territories, or on the evolution of the audiovisual market.

We therefore consider the assessment of films and audiovisual rights as a key point of the audit due to (i) their significance for the Group's financial statements, and (ii) the judgments required to determine their recoverable value.

Our answer

Our audit method consisted in verifying, on the basis of a sample of films, that the use of these estimates did not result in an over-estimation or under-estimation of the net book value of these intangible assets.

Our work consisted in:

- analyzing compliance with the accounting standards in effect and the continued use of the amortization method applied by the Group and in verifying the correct implementation of the amortization calculation rule;
- reconciling (i) the amount of net revenue acquired with the management data, and (ii) the amount of revenue estimated by the experts based on their reports with the estimated future revenue retained;
- assessing the consistency of revenue estimates with the history of results, comparing the pace of future revenue with actual performance, and analyzing changes in future revenue between the two closings via sampling.

Lastly, we verified the appropriate nature of the information provided in Note 2.7.4 of the notes to the consolidated financial statements.

4. Specific verifications

In accordance with the professional standards applicable in France, we also completed the specific verifications required by the laws and regulations regarding the information pertaining to the Group provided in the Board of Directors' management report.

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

5. Other verifications or information required by law and regulations

Presentation format of the consolidated financial statements intended to be included in the annual financial report

In accordance with III of Article 222-3 of the AMF General Regulation, the management of your company has informed us of its decision to postpone the application of the single electronic reporting format, as defined by Delegated Regulation (EU) No. 2019/815 of December 17, 2018, to financial

years beginning on or after January 1, 2021. Consequently, this report does not contain a conclusion on the compliance with this format in the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in section I of Article L.451-1-2 of the French Monetary and Financial Code.

Appointment of the Statutory Auditors

We were appointed as auditors for EuropaCorp by the General Meeting of September 28, 2020 in the case of Auditeurs et Conseil Associés – ACA Nexia and by the General Meeting of September 27, 2019 in the case of Acofex.

As of March 31, 2021, the firm ACA Nexia was in its seventh consecutive year of service and Acofex in its second year.

6. Responsibilities of management and those charged with corporate governance for the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements presenting a true picture, in accordance with IFRS as adopted in the European Union, and to implement the internal controls it deems necessary for the preparation of consolidated financial statements containing no material misstatements result either from fraud or errors.

At the time the consolidated financial statements are prepared, it is the responsibility of management to assess the ability of the company to continue its operations, to present in its financial statements, if required, the information necessary for continued operations and to implement the going concern principle unless plans have been made to liquidate the company or cease its operations.

It is the responsibility of the audit committee to monitor the preparation of the financial information and to track the effectiveness of internal control and risk management systems as well as, in the event of an internal audit, the procedures related to the preparation and processing of the accounting and financial information.

The consolidated financial statements have been approved by your Board of Directors.

7. Responsibilities of the Statutory Auditors with respect to the audit of the consolidated financial statements

Audit objective and process

It is our responsibility to prepare a report on the consolidated financial statements. Our goal is to obtain reasonable assurance that the consolidated financial statements considered overall do not contain any material misstatements. Reasonable assurance reflects a high level of confidence without, however, guaranteeing that an audit conducted in accordance with professional standards will ensure the consistent identification of material misstatements. Misstatements can result from fraud or errors. They are considered to be significant when it can be reasonably expected that they will, taken individually or together, impact the financial decisions the users of the financial statements take based on them.

As stated in Article L.823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist in guaranteeing the viability or quality of the management of your company.

As part of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditors exercise their professional judgment throughout the audit process. In addition:

- they identify and assess the risk that the consolidated financial statements contain material misstatements whether they are the result of fraud or errors, define and implement audit procedures to address the risks and collect the information they believe is sufficient and appropriate to found their opinion. The risk of non-identification of a significant misstatement resulting from fraud is greater than that of a significant misstatement resulting from an error given that fraud can imply collusion, falsification, voluntary omissions, false statements and the bypassing of internal controls;
- they review the internal control system relevant to the audit in order to define the appropriate audit procedures for the circumstances and not for the purpose of expressing an opinion on the effectiveness of internal control;
- they assess the suitability of the accounting methods used and the reasonable nature of the accounting estimates made by management and the information about them provided in the consolidated financial statements;
- they assess the suitability of the application by management of the going concern principle and, based on the information collected, whether or not there is significant uncertainty related to events or circumstances with the potential to negatively impact the ability of the Company to continue operating. The assessment is based on all of the information collected up to the time of the report, being noted that subsequent circumstances or events may prevent the Company from continuing to operate. If they conclude that there is significant uncertainty, they will draw the attention of the readers of their report to the information provided in the consolidated financial statements regarding the uncertainty or, if the information is not provided or not relevant, they will issue a qualified opinion or refuse certification;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect underlying operations and events in a way that provides a truthful picture;
- with respect to the financial information of the persons and entities included in the scope of consolidation, they collect the information they deem sufficient and necessary to express an opinion on the consolidated financial statements. They are responsible for the management, supervision and completion of the audit of the consolidated financial statements and for the opinion expressed about the statements.

Report to the audit committee

We hereby submit a report to the audit committee which presents the extent of the audit work done and the program implemented as well as the conclusions of our work. We also inform the committee, if applicable, of any significant weaknesses in internal control which we identified with respect to the procedures used to prepare and process the accounting and financial information.

The information provided in the report to the audit committee includes the risks of significant misstatements which we believe are most significant for the audit of the consolidated financial statements for the financial year and which are, therefore, key points of the audit. These points are described in this report.

We have also provided to the Audit Committee the statement required by Article 6 of Regulation (EU) no. 537-2014 confirming our independence, within the meaning of the rules applicable in France as defined by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of ethics for Statutory Auditors. If need be, we will meet with the audit committee to discuss any threats to our independence and the safeguard measures applied.

Paris and Vincennes, July 22, 2021

The Statutory Auditors

ACA Nexia
represented by
Eric Chapus

Acofex
represented by
Bruno Malivoire

18.2 Interim financial information

The half-year financial report as of September 30, 2020 was submitted to the AMF on December 30, 2020, and is available on the Company's website <http://www.europacorp.com/en/> in the section Corporate – Periodical Financial Reports.

Included in the report are notably the following documents:

- Activity report of the EuropaCorp Group;
- Consolidated financial statements as of September 30, 2020.

Statutory Auditors' report on the interim financial statements Period from April 1, 2020 to September 30, 2020

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, and in application of Article L.451-1-2 III of the French Monetary and Financial Code, we have performed:

- a limited review of the accompanying interim condensed consolidated financial statements of EuropaCorp SA for the period from April 1 to September 30, 2020;
- verifications of the information provided in the half-yearly activity report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors on December 29, 2020, based on the information available at that date in the context of the evolving crisis related to Covid-19 and the difficulties in assessing its impact and future prospects. Our responsibility is to express our conclusion on these financial statements, based on our limited review.

Conclusion on the financial statements

We have conducted our limited review in accordance with professional standards applicable in France.

A limited review mainly consists of interviewing management in charge of accounting and financial matters and applying analytical procedures. These procedures are less broad in scope than those required for an audit performed in accordance with French auditing standards. Accordingly, a limited review only provides moderate assurance, which is less assurance than that provided by an audit, that the financial statements taken as a whole are free of material misstatements.

On the basis of our limited review, we did not note any significant anomalies liable to call into question the compliance of the interim condensed consolidated financial statements with standard IAS 34, the IFRS framework standard on interim financial reporting as adopted in the European Union.

Without qualifying the conclusion expressed above, we draw your attention to Note 2.2 Continuity of operations to the condensed interim consolidated financial statements concerning the impact of the Covid- 19 crisis on the consolidated financial statements for the period.

Specific verification

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

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

Paris and Vincennes, December 29, 2020

The Statutory Auditors

Auditeurs & Conseils Associés
represented by
Eric Chapus

Acofex
represented by
Bruno Malivoire

18.3 Audit of the historical annual financial information

18.3.1 Independent audit of the historical annual financial information for the last three financial years

The annual and half-yearly financial statements for 2018, 2019 and 2020 were subject to an independent audit in accordance with Directive no. 2014/56/EU of the European Parliament and Council and with Regulation (EU) no. 537/2014 of the European Parliament and Council.

18.3.2 Other audited information

The half-yearly financial statements presented in Appendix 6 were also subject to an independent audit.

18.3.3 Sources and reasons why information was not audited

None.

18.4 Pro forma financial information

None.

18.5 Dividend allocation policy

18.5.1 Company dividend allocation policy

For the financial year ended on March 31, 2021, given previous tax loss carryforwards, no dividends will be paid to shareholders.

In the longer term, given the restructuring that has just been finalized (see Section 18.7 below), the future dividends policy has yet to be determined.

18.5.2 Dividends paid out over the past three financial years

For the financial years ended March 31, 2017, 2018 and 2019, the General Meeting of Shareholders resolved not to pay out any dividends.

18.6 Legal and arbitration proceedings

The Group may from time to time be involved in legal, administrative or regulatory proceedings in the normal course of its business. With the exception of the safeguard procedure pronounced by the Commercial Court of Bobigny on May 13, 2019, the plan for which was approved by the Commercial Court of Bobigny on July 24, 2020, to the Group's knowledge, there are no pending or looming governmental, legal or arbitration proceedings, which may have, or have had over the past 12 months, a significant unfavorable impact on the Group's business, financial position or results.

A note on the main disputes is included in the notes to the consolidated financial statements (Appendix 1) and the notes to the separate financial statements (Appendix 2).

18.7 Significant change in the financial or business position

On April 30, 2019, EuropaCorp SA and nine of its subsidiaries, EuropaCorp Home Entertainment SAS, Blue Advertainment SAS, Orchestra SAS, EuropaCorp Distribution SAS, EuropaCorp Télévision SAS, Valerian Holding SAS, Digital Factory SAS, T5 Production SAS and Valerian SAS, petitioned the Commercial Court of Bobigny for the safeguard proceedings pursuant to Article L.620-1 of the French Commercial Code.

All companies concerned took on the role of guarantor for the principal and secondary revolving credit lines of October 22, 2014, modified on September 30, 2016 (see Sections 8 and 20 of this Universal Registration Document) for which the main debtor is the U.S. subsidiary EuropaCorp Films USA.

In view of the circumstances, these companies sought the protection of the Court so that any financial restructuring plans may be implemented under favorable conditions.

In judgments handed down on May 13, 2019, the Commercial Court upheld these claims and initiated a 6-month period of observation for each of the relevant companies until November 13, 2019. The Court appointed Marc Nouvion as the supervisory judge; SELAFA MJA, represented by Maitre Axel Chuine, and SARL Bally were appointed judicial agents; SELARL FHB, represented by Maitre Hélène Bourbouloux, and SCP Patrice Brignier were appointed as court-appointed administrators.

The creditors of the credit lines and those holding equity interests (see Sections 8 and 20 of this Universal Registration Document) granted waivers, valid until at least October 31, 2019, through which they waived the acceleration clause for the sums owed to them due to the initiation of the safeguard proceedings, in accordance with the provisions of French law.

The draft safeguard plan was unanimously approved by the Company's creditors' committees on February 28, 2020, as stated below. A financing alternative was developed with the help of Vine Media Opportunities-Fund III, LP, Vine Media Opportunities-Fund III-A, LP, Vine Media Opportunities-Fund III-B, LP and Vine Media Opportunities-Fund III-A AIV, LP (the "Vine Funds"), under conditions such as to ensure the financing of future productions subject to the definitive approval of the safeguard plan by the Commercial Court of Bobigny (for more details refer to Sections 3.2. and 8.2.2 of the Universal Registration Document).

The Board of Directors of EuropaCorp approved the draft safeguard plan on March 10, 2020.

The resolutions necessary for the implementation of the safeguard plan were put to a vote of the Company's Combined General Meeting of April 28, 2020, and were approved.

The EuropaCorp safeguard plan was approved on July 24, 2020 by the Commercial Court of Bobigny and a new credit line of \$100 million allocated by Vine to fund future productions has been put in place.

Following the Commercial Court's decision to approve the safeguard plan and the lifting of all conditions precedent, both capital increases with removal of the preferential subscription right of shareholders, reserved for the Vine and Falcon funds, the Company's main creditors, totaling €192,519,075.01, issue premium included (the "Reserved Capital Increases"), were completed. On July 28, 2020, the funds Vine and Falcon have subscribed for the new shares issued within the Reserved Share Capital Increases. The new shareholders hold consequently 60.15% of EuropaCorp's share capital for Vine and 6.29% for Falcon. The concert formed by Luc Besson, Front Line and Lambert Capital BV now holds 13.00% of the Company's share capital. The amount of the subscription price of the Reserved Share Capital Increases has been paid up by equitization of the Participation Deal and Mezzanine Debt.

As such, the Company exited the safeguard procedure on July 24, 2020.

Following the Covid-19 pandemic and its impact on the Group's production start-ups, and in accordance with Article 5 of Order No. 2020-596 of May 20, 2020, on December 14, 2020, the commissioners for the execution of the Company's safeguard plan filed a request with the Commercial Court of Bobigny to extend the duration of EuropaCorp SA's safeguard plan by an additional two years.

The request was granted by the Commercial Court on March 16, 2021. The total duration of the safeguard plan is now 9 instead of 7 years from July 24, 2020, involving a new repayment schedule. Other terms and conditions of the Plan which are not in contradiction with the foregoing would remain unmodified.

As a reminder, at this stage the Group is not under any short-term cash flow pressure and currently has several projects ready to begin production but the evolving health situation makes it difficult to organize production, especially for English-language films with international dimension.

19 ADDITIONAL INFORMATION

The Company is a French public limited company (*société anonyme*) governed by applicable French laws and regulations and the Company's Articles of Association.

19.1 Share capital

19.1.1 Amount of share capital

On the filing date of the Universal Registration Document, the Company's share capital amounted to €41,514,758.54. It is divided into 122,102,231 fully paid-up ordinary shares of the same category, with a par value of €0.34 each.

Following the capital increases by offsetting of receivables, carried out on July 28, 2020, the Company's share capital increased from €13,932,353.06 to €41,514,758.54, and the number of shares from 40,977,509 to 122,102,231.

19.1.2 Securities that do not represent capital

As of the date of this Universal Registration Document, no securities that do not represent share capital have been issued by the Company.

19.1.3 Securities held by EuropaCorp, for its own account, or by its subsidiaries

The General Meeting granted the Board of Directors the following authorizations, in force during the financial year:

Authorizations granted to the Board of Directors	Ceiling	Term of authorization	Date of the Meeting and resolution number
Authorization to purchase Company shares or have them purchased within the framework of a share buyback program capped at 10% of the share capital	10% of the Company's share capital	18 months Canceled on 09/28/2020	09/27/2019 No. 9
Authorization to purchase Company shares or have them purchased within the framework of a share buyback program capped at 10% of the share capital	10% of the Company's share capital	18 months	09/28/2020 No. 13
Authorization, subject to a condition precedent, to reduce the share capital through the cancellation of shares	10% of the Company's share capital per 24-month period	18 months Canceled on 09/28/2020	09/27/2019 No. 24
Authorization, subject to a condition precedent, to reduce the share capital through the cancellation of shares	10% of the Company's share capital per 24-month period	18 months	09/28/2020 No. 30

It will be proposed that the General Meeting be called to approve the financial statements for the financial year closed on March 31, 2021 renew these authorizations.

On November 9, 2009, within the framework of the share buyback program, the Company signed a liquidity agreement with Natixis (transferred to the company ODDO BHF as of July 2, 2018) in compliance with the ethics charter approved by the AMF.

During the 2020/2021 financial year, only the authorizations to purchase Company shares or have them purchased within the framework of a share buyback program have been used.

A. Special Report pursuant to Article L.225-211 of the French Commercial Code

I. Description of the share buyback program implemented during the 2020/2021 financial year

Legal framework

The Combined General Meeting of September 27, 2019, in its ninth resolution, canceled the existing authorization and granted a new authorization to the Board of Directors for a period of 18 months.

The Combined General Meeting of September 28, 2020, in its 13th resolution, canceled the existing authorization and granted a new authorization to the Board of Directors for a period of 18 months.

Characteristics of the share buyback program

The conditions for the implementation of the authorizations granted by the 9th resolution of the Combined General Meeting of September 27, 2019 and by the 13th resolution of the Combined General Meeting of September 28, 2020 are identical.

By virtue of the authorizations, the maximum purchase price is set at €15.50 and the total amount of the purchases is capped at €20 million.

EuropaCorp's Board of Directors is authorized to buy a number of shares representing no more than 10% of the Company's share capital on the date of the actual purchases, with the understanding that the number of shares purchased with a view to their retention or their future use for payment or exchange purposes in any external growth operations cannot exceed 5% of the Company's share capital.

In accordance with applicable regulations and AMF approved market practices, the objectives of the share buyback program are the following:

- cancellation of shares to reduce the share capital by virtue of a cancellation authorization granted to the Board of Directors by the Extraordinary General Meeting;
- buoyancy of the secondary market or liquidity of Company securities within the framework of a liquidity contract signed with an independent investment service provider in accordance with the code of ethics recognized by the AMF;
- allocation of shares to the employees and officers of the Company and/or companies linked to it or which shall be linked to it under the terms and conditions defined by applicable legal provisions, for the exercise of purchase options, the award of free shares or participation in the Company's profit-sharing scheme;
- delivery or exchange of shares upon the exercise of rights attached to marketable or debt securities which entitle their holders, in any manner, immediately or in the future, to the allocation of Company shares;
- retaining of shares or their future use for payment or exchange purposes in any external growth operations;
- any other practice that would come to be accepted or acknowledged by law or by the AMF, or any other objective that would comply with current regulations.

Moreover, the Combined General Meeting of September 27, 2019, in its 24th resolution, authorized the Board of Directors to reduce the share capital through one or more operations, over a period of 24 months, in the proportions and at the times it deems fit, through the cancellation of all or part of the shares purchased by the Company under any share buyback programs within the limit of 10% of the share capital per 24-month period.

The Combined General Meeting of September 28, 2020, in its 30th resolution, canceled the existing authorization and authorized the Board of Directors to reduce the share capital under the same conditions for a period of 18 months.

II. Share buybacks by EuropaCorp during the financial year ended on March 31, 2021

The table below summarizes the transactions completed during the financial year ended on March 31, 2021.

Share transactions from April 1, 2020 to March 31, 2021

	Liquidity agreement	Share buyback outside the liquidity agreement
Number of shares purchased	162,677	-
Number of shares sold	144,610	-
Weighted average price	€0.75	-
Trading fees	-	-
Purpose	Supporting the share price	Possible external growth operations
On the financial year closing date / As of March 31, 2021		
Number of shares registered in the Company's name	69,489	14,229
Value of the shares at the average purchase price	51,760	10,599
Value of the shares at the closing price	56,217	11,511
Par value of the shares	€0.34	€0.34
% shares/capital	0.06%	0.01%

Outside the liquidity agreement, the Company carried out no transactions on its own shares under the share buyback program during the financial year ended on March 31, 2021.

On March 31, 2021, the Company held 83,718 shares, representing 0.07% of its share capital, valued at €67,728 based on the closing price of EuropaCorp stock on March 31, 2021 (i.e. €0.809). In accordance with applicable legal and regulatory requirements, these shares do not carry dividend rights or voting rights.

No treasury shares were canceled by the Company during the 24 months preceding the close of the financial year. No Company shares are directly or indirectly held by Company subsidiaries.

B. Description of the share buyback program submitted to the Combined General Meeting of September 27, 2020

The Combined General Meeting of September 28, 2020 authorized the Board of Directors to implement a new share buyback program under the terms of the 13th resolution.

The main characteristics of this program are identical to those of the program approved by the General Meeting of September 27, 2019. In particular, the new program authorizes the Board of Directors, with the possibility of sub-delegation of authority, to purchase Company shares or have them purchased within the limit of the number of shares representing 10% of the share capital on the actual date of these purchases, with the understanding that the total number of shares held after these purchases may not exceed 10% of the Company's share capital.

The maximum purchase price is set at €15.50 per Company share. The maximum amount of the purchases authorized under the share buyback program is capped at €20 million. However, in the event of share capital transactions, such as the capitalization of reserves, the award of free shares, stock splits or reverse stock splits, the above-stated price can be adjusted accordingly.

The acquisition, sale or transfer of these shares may be carried out by any means, in one or more transactions, on the market or over-the-counter, including through block purchases or sales, public offerings, by using derivative instruments or bonds or marketable securities giving rights to Company shares, or through the set-up of option plans, under the conditions set by the market authorities and in compliance with the applicable regulations.

The Company can use this authorization for the purposes set out below, in compliance with the above-mentioned texts and the market practices approved by the AMF:

- cancellation of shares to reduce the share capital by virtue of a cancellation authorization granted to the Board of Directors by the Extraordinary General Meeting;
- buoyancy of the secondary market or liquidity of Company securities within the framework of a liquidity contract signed with an independent investment service provider in accordance with the code of ethics recognized by the AMF;
- allocation of shares to the employees and officers of the Company and/or companies linked to it or which shall be linked to it under the terms and conditions defined by applicable legal provisions, for the exercise of purchase options, the award of free shares or participation in the Company's profit-sharing scheme;
- delivery or exchange of shares upon the exercise of rights attached to marketable securities that entitle their holders, in any manner, immediately or in the future, to the allocation of Company shares;
- retaining of shares or their future use for payment or exchange purposes in any external growth operations;
- any other practice that would come to be accepted or acknowledged by law or by the AMF, or any other objective that would comply with current regulations.

Notwithstanding the above, the number of shares acquired by the Company for their retention or future use for payment or exchange purposes in any merger, spin-off or asset transfer may not exceed 5% of its capital.

This authorization is granted for a period of 18 months as of the date of the General Meeting.

The Board of Directors may carry out transactions involving the purchase, sale or transfer of Company shares at any time, in compliance with the legal and regulatory provisions, including during a takeover bid or public exchange offer initiated by the Company or targeting Company securities.

The General Meeting granted all powers to the Board of Directors, with the right to sub-delegate as defined by Article L.225-209, paragraph 3, of the French Commercial Code, in order to decide on how to implement this authorization and set the terms thereof, in particular to adjust the aforementioned purchase price in the case of transactions that alter shareholder's equity, the capital stock or the par value of the shares, place all orders on the stock exchange, sign all agreements, complete all declarations and formalities, and generally do everything necessary.

Moreover, the Combined General Meeting of September 28, 2020 authorized the Board of Directors to reduce the share capital through one or more operations, over a period of 18 months, in the proportions and at the times it deems fit, through the cancellation of all or part of the shares purchased by the Company under any share buyback programs within the limit of 10% of the share capital per 24-month period.

19.1.4 Securities giving an entitlement to a share of the capital

By decision of October 26, 2020, and on the proposal of the Appointments and Remuneration Committee on the same day, the Board of Directors decided to set up a plan for the free allocation of 591,787 shares of EuropaCorp SA for the benefit of the employees and corporate officers of EuropaCorp and its subsidiaries located in France. Similarly, by decision of November 16, 2020, and on the proposal of the Appointments and Remuneration Committee on the same day, the Board of Directors decided to set up a plan for the free allocation of 436,365 EuropaCorp SA shares.

These decisions are part of the authorization granted by the Combined General Meeting of EuropaCorp's shareholders of September 28, 2020, in its 28th resolution, for the purpose of making free share grants to employees or corporate officers of the company and affiliated companies within the meaning of Article L.225-197-2 of the French Commercial Code, up to a limit of 10% of the share capital.

The Board of Directors also decided to set the vesting period at 1 year (this period running from the date of this decision) and the retention period at 1 year (this period running from the end of the vesting period).

Finally, the Board of Directors specified that the said shares will only be effectively and definitively acquired by the beneficiaries at the end of the vesting period and that this operation will be carried out by the allocation either of new shares, to be issued within the framework of one or more capital increases, or of existing shares, resulting from repurchases made by the Company within the framework of its share buyback program.

19.1.5 Delegations of power and financial authorizations

The Combined General Meeting of September 28, 2020 granted the Board of Directors the following powers and authorizations, which are still valid:

Delegations of power granted to the Board of Directors for capital increases	Maximum nominal amount of the capital increase	Use of the delegation during the year	Term of the delegation	Date of the Meeting and resolution number
Delegation of power for the purposes of deciding on the issue, while maintaining shareholders' preferential subscription rights, of ordinary shares and/or marketable securities giving access to the Company's share capital, either immediately or in the future, or the issue of debt securities	€4,000,000*	None	26 months	28/09/2020 N° 17
Delegation of power for the purposes of deciding on the issue, by means of public offering while canceling shareholders' preferential subscription rights, of ordinary shares and/or marketable securities giving access to the Company's share capital, either immediately or in the future, or the issue of debt securities	€4,000,000*	None	26 months	28/09/2020 N° 18

Delegations of power granted to the Board of Directors for capital increases	Maximum nominal amount of the capital increase	Use of the delegation during the year	Term of the delegation	Date of the Meeting and resolution number
Delegation of power for the purposes of deciding on the issue, while canceling shareholders' preferential subscription rights, of ordinary shares and/or marketable securities giving access to the Company's capital, either immediately or in the future, or the issue of debt securities within the framework of the offering as defined in part II of Article L.411-2 of the French Monetary and Financial Code	20% of the capital per 12-month period*	None	26 months	28/09/2020 N° 19
Authorization to be granted to the Board of Directors for the purposes of setting the issue price of ordinary shares or marketable securities within the limit of 10% of the capital per year, while canceling shareholders' preferential subscription rights	Ceiling applicable to the resolution used (€4,000,000)*	None	26 months	28/09/2020 N° 20
Authorization to be granted to the Board of Directors for the purposes of increasing, in accordance with Article L.225-135-1 of the French Commercial Code, the number of securities to be issued in operations carried out while maintaining or canceling shareholders' preferential subscription rights	Ceiling applicable to the resolution used (€4,000,000)*	None	26 months	09/28/2020 No. 21
Delegation of power to be granted to the Board of Directors for the purposes of deciding on a capital increase through the issue of shares reserved for employees subscribing to a Company Savings Plan, while canceling shareholders' preferential subscription rights in favor of these employees	2% of the share capital*	None	26 months	28/09/2020 N° 22
Delegation of powers to be granted to the Board of Directors for the purposes of deciding on the issue of ordinary shares within the limit of 10% of the share capital, in consideration of contributions in kind granted to the Company	10% of the share capital	None	26 months	28/09/2020 N° 25
Delegation of powers to be granted to the Board of Directors to increase the share capital through the issue of ordinary shares or marketable securities giving access to the Company's share capital in consideration of securities tendered in a public exchange offer initiated by the Company	€4,000,000	None	26 months	28/09/2020 N° 24
Delegation of powers to be given to the Board of Directors to issue marketable securities giving access to the Company's share capital, without preferential subscription rights, as part of an exchange of financial securities	10% of the share capital	None	18 months	09/28/2020 No. 26
Authorization to grant stock options to employees or corporate officers of the Company and its affiliates	5% of the share capital	None	26 months	28/09/2020 N° 27
Authorization for the purposes of awarding free shares to employees or corporate officers of the Company and its affiliates	10% of the share capital	None	38 months	28/09/2020 N° 28

Delegations of power granted to the Board of Directors for capital increases	Maximum nominal amount of the capital increase	Use of the delegation during the year	Term of the delegation	Date of the Meeting and resolution number
Delegation of power for the purposes of deciding on a share capital increase through the capitalization of premiums, reserves, profits or other sums	€3,000,000	None	26 months	28/09/2020 N° 29

* These amounts are deducted from the overall maximum set in the 23rd resolution of the General Meeting of September 28, 2020.

At the General Meeting in September 2021, shareholders will be asked to renew these delegations and authorizations.

19.1.6 Information on (i) the conditions governing any acquisition rights and/or obligation(s) associated with subscribed, but not yet paid-up share capital, or any transaction intended to increase the share capital and (ii) on the share capital of any Group member which is under option or is subject to a conditional or unconditional agreement to place it under option and details of such options, including the identity of the persons to which they relate

With the exception of the joint exit and forced exit clauses appearing in the shareholders' agreement signed on July 28, 2020 between Luc Besson (including his holding company Front Line) and the Vine funds (described in Section 16 of this Universal Registration Document), as of the date of filing of this Universal Registration Document, there are no commitments to purchase or sell (i) all or part of the share capital of EuropaCorp or (ii) all or part of the capital of a subsidiary of EuropaCorp.

19.1.7 History of changes to the share capital

The table below shows the history of changes to the Company's share capital over the past three financial years:

	FY 2019/2020	FY 2019/2020	2020/2021
Opening capital	€13,932,353.06	€13,932,353.06	€13,932,353.06
Number of shares canceled during the financial year	0	0	0
Number of shares issued during the financial year	0	0	0
Share capital at the end of the financial year			
In euros	€13,932,353.06	€13,932,353.06	€41,514,758.54
In shares	40,977,509	40,977,509	122,102,231

It should be noted that the Company was the subject of two capital increases on July 28, 2020, bringing the share capital from €13,932,353.06 to €41,514,758.54.

19.1.8 Stock market performance

Date	Highest price	Date of highest price	Lowest price	Date of lowest price	Closing price	Number of shares traded	Number of trading sessions
April 20	0.741	04/30/2020	0.526	04/03/2020	0.741	3,502,946	20
May 20	0.848	05/05/2020	0.66	05/22/2020	0.676	1,826,749	20
June 20	0.78	06/25/2020	0.682	06/02/2020	0.75	1,902,383	22
July 20	0.859	07/29/2020	0.7	07/15/2020	0.752	7,448,673	23
August 20	0.806	08/12/2020	0.717	08/03/2020	0.74	3,753,843	21
September 20	0.786	09/08/2020	0.688	09/25/2020	0.712	2,063,341	22

October 20	0.76	10/09/2020	0.623	10/28/2020	0.651	1,553,225	22
November 20	0.839	11/30/2020	0.643	11/03/2020	0.839	2,385,893	21
December 20	0.85	12/15/2020	0.81	12/30/2020	0.834	1,667,746	22
January 21	0.825	01/04/2021	0.76	01/25/2021	0.769	1,137,767	20
February 21	0.82	02/15/2021	0.77	02/02/2021	0.8	796,669	20
March 21	0.827	03/18/2021	0.784	03/05/2021	0.809	826,299	23
Summary/Total	€0.859		€0.526			28,865,534	256

19.1.9 Pledges and sureties

Front Line owns 15,596,191 EuropaCorp shares. There have been no pledges on shares held by Front Line since February 28, 2019, date on which the pledge was lifted at the request of Neuflyze OBC. Concerning the pledges of EuropaCorp SA's subsidiaries, see Note 5 of this Universal Registration Document.

19.2 Memorandum and Articles of Association

The provisions described below stem from the Company's Articles of Association updated on September 4, 2020.

19.2.1 Register, financial year and corporate purpose

The company is entered in the Paris Trade and Company Register under number 384 824 041.

Article 21 of the Articles of Association

The Company's financial year starts on April 1 and ends on March 31 of each year.

Article 3 of the Articles of Association

The Company's purpose, in France and in any other country, is:

- all film-related businesses and, in particular, the production of feature length and short films by any technical and artistic processes, the distribution, purchase, rental, import, export, exploitation and marketing of films, the operation of movie theaters, as well as consultancy, management and organizational services in connection with all of these businesses;
- all businesses connected with audiovisual works in the broadest sense of the term (including works mainly intended for television or the Internet) and in particular, the production of feature and short films by any technical and artistic processes, and the distribution, purchase, rental, import, export, exploitation and marketing of audiovisual works;
- all businesses connected with videograms within the meaning of Article L.215-1 of the French Intellectual Property Code and in particular, the production of videograms (feature length and short films) by any technical and artistic processes, and the distribution, purchase, rental, import, export, exploitation and marketing of videograms;
- all businesses connected with book and music publishing, the production of recordings on all image and/or sound reproduction media in existence or to be developed in the future, the production and publishing of video and multimedia works (including video games, interactive CD-ROM, etc.) on all types of media, and the marketing of such media;
- administrative services for actors, authors, singers and musicians, the acquisition and sale of literary and film rights and commissions in France and abroad, and brokerage deals in connection with those businesses; and more generally;
- all commercial, industrial, advertising, financial, real estate and movable property transactions, directly or indirectly related to the corporate purpose or likely to contribute to the pursuit thereof,

both on the Company's own behalf and on behalf of third parties, or any form of investment whatsoever, in particular, through the creation of companies or through share subscriptions, partnerships, mergers, takeovers, the advance of funds, the purchase or sale of securities or rights, the sale or rental of all or part of its real estate and movable property or rights thereto, or through any other means.

19.2.2 Rights, privileges and restrictions attached to each category of shares

Summary of Article 7 of the Articles of Association

Each share entitles its holder to one vote at General Meetings of Shareholders, under the conditions set by the French Commercial Code.

Each share entitles its holder to a portion of the corporate profits, assets and liquidation surplus, proportional to the amount of capital it represents.

Share ownership automatically entails acceptance of the Articles of Association and decisions adopted by General Meetings.

Whenever it is necessary to own several shares to exercise a right (in particular in the event of an exchange offer, share consolidation, capital increase, capital reduction, etc.), the owners of isolated shares, or numbers of shares below that required, may only exercise such rights if they personally arrange for the consolidation of the shares and, if necessary, the purchase or sale of the required number of shares.

The shares are indivisible with respect to the Company, which recognizes only one owner for each share. With respect to the Company, the owners of jointly held shares must either be represented by one of the owners or by a single agent. In the event of a disagreement, the agent shall be appointed by a court of law, at the request of the most diligent joint owner.

The voting rights belong to the beneficial owner at Ordinary General Meetings and to the bare owner at Extraordinary General Meetings. However, joint owners of indivisible shares may agree to share voting rights at General Meetings in any other way they see fit, provided this does not deprive the beneficial owner of the voting right relative to the appropriation of the Company's profits. To be enforceable, such a voting agreement between joint owners of indivisible shares must be brought to the Company's attention by registered mail sent to the registered office, with return receipt requested. The Company shall have to comply with this agreement for any General Meeting taking place within at least three days following receipt of the notification of said agreement. However, bare owners of shares remain entitled to attend General Meetings, even if they are deprived of voting rights.

There are no legal provisions allowing for double voting rights. In accordance with Article L.225-123, paragraph 3, of the French Commercial Code, the General Meeting of the Company held on September 26, 2014 approved a change to the Company's Articles of Association intended to eliminate the automatic implementation of double voting rights.

Any modification of the rights attached to the shares is subject to legal provisions, as there is no specific provision to that effect in the Articles of Association.

19.2.3 Statutory and other provisions which may delay, defer or prevent a change of control

None.

20 MATERIAL CONTRACTS

Material contracts entered into during the two years preceding the date of filing of this Universal Registration Document, other than those entered into in the normal course of business or resulting from the new production scheme detailed in Section 6 of this Universal Registration Document, and to which the Company or any other member of the Group is a party:

- **Credit and security agreement dated July 30, 2020 between EuropaCorp Pictures LLC, EuropaCorp Finance LLC, a number of its subsidiaries and Comerica Bank**

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

This new production revolving credit facility enables the Company to raise credit related to contracts of a maximum of \$100 million which can, by mutual agreement, be increased by \$25 million. The bulk of this credit comes directly or indirectly from a new generation of Vine funds (Funds IV), which are separate from the Vine funds that are current shareholders. The remainder of the credit may be awarded by some of the Vine funds.

The purpose of this credit is to pay the costs associated with producing and funding films, financing fees and interest and any working capital requirements. This new credit line has a five-year term from the date of signature and bears annual interest of 8%. The fees associated with the early refinancing of this new line in the first 18 months would be 2% of the total line amount. The Borrowing base is the sum of:

- the eligible distribution contracts after applying the standard advance rates applied by credit institutions depending on the distributor in question; plus
- 90% of the tax credits; plus
- 80% (for the “*ultimates reports*” supplied by an American studio) and 75% (for the “*ultimates reports*” supplied by the firm FTI) of the share of future receipts (“*ultimates*”) accruing to EuropaCorp Pictures LLC and estimated for the next four years; less
- the reserves provided for by the credit documentation.

The receipts from each film having been drawn will be allocated to the repayment of the drawdown in question, with any remainder allocated for the repayment of any drawdowns related to the other films financed by Vine. Once all sums owed to Vine have been repaid, any remaining receipts may go back to EuropaCorp (after the deduction of the appropriate amounts of the standard liabilities to be paid to third parties by the parties to the credit line in relation to these films and for sufficient amounts in addition to the reserves required under the credit line).

The standby fees are 1.25% per year on the unused portion of the credit facility and the Company has the option of canceling some or all of the commitments provided it pays any early refinancing fees. The other fees include arrangement fees (1.75%) and an “upfront fee” for each film (1.50%). The Company retains the option to access third-party credit to fund some or all of the costs of film-making without the consent of the lenders, provided that the rights to these films are transferred to EuropaCorp Pictures LLC, and that this lending is secured only by different collateral to those of the lenders under the new Vine credit agreement.

This credit line is secured as follows:

- first-line securities on all EuropaCorp Pictures LLC assets (including the securities of the subsidiaries of this company);
- pledging (or equivalent) of receivables having been anticipated in the Borrowing Base;
- pledging of EuropaCorp Finance LLC securities.

When all sums due under the Vine credit line have been repaid, the distribution rights to the films financed by Vine may be freely transferred to EuropaCorp (with the exception of the rights to the most recently produced film).

There is also provision for a “*Golden Share*” mechanism to be issued by EuropaCorp Pictures LLC which would allow Vine to take control of this company were any of the events stated in the credit documentation to occur.

- **Settlement agreement between EuropaCorp SA and La Nef Lumière**

In February 2020, the Company and its lessor, La Nef Lumière, agreed to a partial termination of the commercial lease agreement signed on May 18, 2009 for a set of offices on the La Cité du Cinéma site. This agreement, included in the Company’s safeguard plan approved by the Commercial Court on July 24, 2020, provides for reduced surface areas and a reduced price per square meter. This partial termination was accompanied by the payment of rent in arrears (€10.6 million), a termination penalty of €5.6 million over seven years and the introduction of a better fortunes clause which may result in the payment of an additional sum of €10 million by the end of the lease in 2024 in the event that the transfer price of shares subscribed by the Vine funds has enabled a sum of €181 million to be repaid.

It should be noted that material contracts entered into previously have been substantially modified by the Company’s safeguard plan approved by the Commercial Court of Bobigny on July 24, 2020:

- **Revolving credit agreements signed on October 21, 2014 modified by the amendment of September 30, 2016**

Since October 21, 2014, the Group has had (i) a revolving principal credit line enabling it to settle amounts due under contracts for a maximum amount of \$400 million, composed of a line of approximately €178 million and a line of \$160 million, accompanied by an accordion clause of \$150 million, and (ii) a secondary credit line for \$50 million.

The principal line of credit was arranged by JP Morgan as Agent and Senior Bookrunner, SunTrust and OneWest Bank as Associate Bookrunners and co-arrangers. This credit line was syndicated with leading banks, notably French banks Natixis, Banque Palatine, Arkea Banque Entreprises et Institutionnels, and BRED Banque Populaire.

On September 30, 2016, the Group renegotiated the terms of those agreements as follows:

(i) the main credit line, in the initial amount of \$400 million, was reduced to \$250 million with the accordion clause of an additional \$150 million remaining unchanged. These new amounts allowed a significant decrease in the non-use fees, the amount of the collateral available at the time being insufficient for drawing more than this amount against this line;

(ii) the secondary credit line facility was extended from the initial amount of \$50 million to \$80 million (excluding capitalized interest), making it possible to draw an extra \$30 million.

On September 8, 2017, then on December 24, 2018, the amount of the principal credit line was reduced to about \$190 million, thus making it possible to reduce the non-use fees.

The principal credit line bears interest, for loans granted in euros, at the Euribor rate plus a bank margin of 3.25% and, for loans granted in dollars, either at the Libor rate plus a bank margin of 3.25%, or the Alternate Base Rate plus a bank margin of 2.25%.

The secondary credit line facility bore an annual interest rate of 15% for the whole line, of which 6% payable quarterly and 9% capitalized and payable on the due date of the credit. This line could be paid up at any time without penalty.

The principal credit line was to be repaid after a period of five years, i.e. by October 21, 2019. The

secondary credit line was to be repaid after a period of five years and six months, i.e. by April 21, 2020. Owing to the safeguard procedure being initiated against the Company on May 13, 2019, the repayment of debts has been frozen pending the adoption of the safeguard plan.

On July 24, 2020, the Commercial Court of Bobigny approved the safeguard plan, which initially provided for the repayment of outstanding amounts on the main line over a period of seven years, extended by two years on March 16, 2021, for a total period of nine years from July 24, 2020 according to the following schedule:

Year	1	2	3	4	5	6	7	8	9
% repayment	5.8%	11.8%	10.6%	6.7%	12.4%	12.4%	12.1%	14.6%	13.6%

As security for these credit lines, EuropaCorp and some of its subsidiaries (Blue Advertainment, Digital Factory, EuropaCorp Distribution, EuropaCorp Home Entertainment, EuropaCorp Music Publishing, Roissy Films and Ydéo) granted first-line guarantees on all of their assets, and notably the pledge of financed assets, as specified in the notes to the consolidated financial statements (Appendix 1 - 5.3 Commitments and contingent liabilities), to the exclusion of any other guarantee. In accordance with the safeguarding plan, EuropaCorp Music Publishing and Roissy Films were transferred in full in early 2021 (see Section 6 of the Universal Registration Document).

As for the secondary credit line, on July 28, 2020, it was fully converted into capital with the capital increase of €115,301,625.13, reserved for the funds Vine Media Opportunities – Fund III, including issue premium, paid up through the equitization of the receivable.

21 AVAILABLE DOCUMENTS

Copies of this Universal Registration Document are available free of charge from EuropaCorp at 20 rue Ampère 93413 Saint-Denis Cedex, or from the Company (<http://www.europacorp.com>) and AMF (<http://www.amf-france.org>) websites.

For the period of validity of the Universal Registration Document, the most recent up-to-date version of the Memorandum and Articles of Association and minutes of General Meetings and other Company documents, as well as historic financial information and any expert appraisals or statements commissioned by the Company to be made available to shareholders, in accordance with the applicable legislation, may be consulted at the Company's registered office.

Moreover, the financial information and, in general, all publications issued by the Company, are available on the Company's website (<http://www.europacorp.com>).

The person responsible for investor information is:

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APPENDIX 1 - CONSOLIDATED FINANCIAL STATEMENTS ON MARCH 31, 2021 AS PER IFRS

CONSOLIDATED PROFIT AND LOSS STATEMENT

		Financial year ended March 31	
		2021	2020
(amounts in thousands of euros, except for the number and data per share)			
Revenue	Note 4.1	41,492	69,767
Operating income	Note 4.1	41,492	69,767
Cost of sales		(22,548)	(48,322)
Operating margin	Note 4.2	18,944	21,444
Overheads	Note 4.3	(15,665)	(16,219)
Other operating income and expense	Note 4.4	398	(64,334)
Operating profit (loss)		3,678	(59,109)
Income from financial investments / (Cost of financial debt)		(4,306)	(18,465)
Other financial income and expenses		3,542	(8,114)
Net gain from debt restructuring		134,921	
Financial income	Note 4.5	134,156	(26,580)
Income from recurring operations before taxes		137,834	(85,688)
Income tax	Note 4.6	(14,594)	(8,535)
Share of net income of associates	Note 3.5	(576)	(827)
Net income		122,665	(95,051)
Of which Net Income – Minority share		59	(2)
Net income - Group share		122,606	(95,049)
Basic earnings per share ¹²		1.28	(2.32)
Diluted earnings per share ¹³		1.28	(2.32)

As of March 31, 2021, earnings before interest and taxes (EBIT) included €13,547 thousand in amortization expenses versus €31,681 thousand as of March 31, 2020. As such, as of March 31, 2021, earnings before interest, taxes, depreciation and amortization (EBITDA) totaled €17,225 thousand versus €(27,428) thousand as of March 31, 2020.

¹² The number of shares used for the calculation as of March 31, 2021 was 95,569,631, as compared to 40,911,858 as of March 31, 2020 (see detail 2.22).

¹³ The number of shares used for the calculation as of March 31, 2021 was 95,983,954, as compared to 40,911,858 as of March 31, 2020 (see detail 2.22).

STATEMENT OF COMPREHENSIVE INCOME

	03/31/2021	03/31/2020
Net income	122,665	(95,051)
<i>Income and expenses directly recognized in equity</i>		
- Net investments change		2,845
- Currency translation differences	(401)	(3,930)
- 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	(401)	(1,085)
Total comprehensive income for the period	122,264	(96,136)

<i>Comprehensive income breakdown for the period</i>	03/31/2021	03/31/2020
Shareholders of the entity	122,205	(96,134)
Minority interest	59	(2)
Total comprehensive income for the period	122,264	(96,136)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(amounts in thousands of euros)

	March 31, 2021			March 31, 2020
ASSETS	Gross	Amortisations / Provisions	Net	Net
Non-current assets :				
Goodwill	17 037	(17 037)	-	-
Intangible assets	1 518 303	(1 478 618)	39 685	52 461
Property and Equipment	14 627	(11 182)	3 445	5 239
Other financial assets	8 961	-	8 961	7 995
Investments in associates	0	-	0	-
Deferred taxes assets	502	-	502	15 292
Right-of-use leased assets	16 100	(8 270)	7 830	11 277
Total non-current assets	1 575 530	(1 515 107)	60 423	92 264
Current assets :				
Inventory	417	(225)	192	233
Trade accounts receivable	29 545	(6 596)	22 949	27 975
Other accounts receivable	23 944	(16 385)	7 558	21 449
Other current assets	2 691	-	2 691	395
Cash and cash equivalents	46 952	-	46 952	50 680
Total current assets	103 549	(23 206)	80 343	100 731
TOTAL ASSETS			140 765	192 995
			March 31, 2021	March 31, 2020
LIABILITIES				
Equity - Group share				
Issued capital			41 515	13 932
Retained earnings and reserves			(59 199)	(210 068)
Total equity - Group share			(17 684)	(196 136)
Minority interests			350	293
Non-current liabilities :				
Provisions for pensions and similar			411	362
Deferred taxes liabilities			334	1 383
Long term borrowings and financial debts			83 862	0
Deposits and guarantees received			613	493
Equity investment liabilities > 1 year			-	-
Lease liability - long term (> 1 year)			7 819	12 801
Other non-current liabilities			4 987	9 845
Total non-current liabilities			98 025	24 883
Current liabilities :				
Short term borrowings and financial debts			6 102	202 792
Lease liability - short term (< 1 year)			2 628	2 458
Provisions for risks and expenses			684	1 845
Trade accounts payable			30 614	51 594
Equity investment liabilities < 1 year			-	-
Other financial liabilities			9 588	96 164
Other current liabilities			10 458	9 102
Total current liabilities			60 074	363 955
TOTAL LIABILITIES			140 765	192 995

STATEMENT OF CHANGES IN CONSOLIDATED 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, 2020 balance	40 977 509	13 932	107 092	(226 916)	4 853	(48)	(95 049)	(196 136)	293	(195 843)
Net income appropriation in reserves				(95 049)			95 049			
Transfer of a part of the share premium in reserves										
Dividends distribution										
Share-based payments										
Net variation of treasury shares and stock dividends						(10)		(10)		(10)
Impact of the changes in the scope of consolidation									(2)	(2)
Currency translation reserve					(401)			(401)		(401)
03/31/2021 net income							122 606	122 606	59	122 665
Total of income and costs of the period					(401)		122 606	122 205	59	122 264
Capital increase	81 124 722	27 582	28 448					56 030		56 030
Capital increase expenses										
Free shares allocation plan				226				226		226
March 31, 2021 balance	122 102 231	41 515	135 540	(321 739)	4 451	(58)	122 606	(17 685)	350	(17 335)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended March 31,

<i>(amounts in thousands of euros)</i>	2021	2020 (restated)	2020 (published)
Operations			
Net income - Group share without discontinued operations	122 606	(95 049)	(95 049)
Net income - Minority share	59	(2)	(2)
Depreciation and amortization	15 951	43 396	43 396
Unrealised gains and losses relating to changes in fair value	(134 921)	-	457
Change in the fair value of securities-related liabilities	-	-	-
Capital gains or losses on the disposal of assets	0	-	-
Share of income from associates consolidated using the equity method	(576)	827	827
Income and expenses due to share-based payments and similar	-	-	-
Operating cash flow after net financial debt cost and taxes	3 120	(50 828)	(50 371)
(Income from financial investments) / Cost of financial debt	4 306	21 035	21 035
Taxes (Income) / Cost	0	8	8
Operating cash flow before net financial debt cost and taxes	7 426	(29 785)	(29 328)
Change in working capital requirement :			
Inventory	41	354	354
Trade accounts and notes receivable	26 752	33 510	33 510
Deferred costs	(1 056)	845	845
Trade notes and accounts payable	(25 321)	35 567	35 567
Deferred income	(4 963)	(9 619)	(9 619)
Tax paid	-	-	-
Net cash flow from operations	2 877	30 872	31 329
Investment activities			
Acquisition of intangible assets	(495)	205	205
Acquisition of other intangible assets	0	(2)	(2)
Acquisition of property and equipment	0	70	70
Income on disposal of intangible assets and property, plant and equipment	1 500	0	0
Net change in financial assets	588	(123)	(123)
Change in liabilities on long-term investment	-	0	0
Change in minority reserves	-	-	-
Impact of the changes in the scope of consolidation	-	-	-
Net cash flow from investment activities	1 593	150	150
Financing activities			
Dividends paid	-	-	-
Increase in capital	-	-	-
Capital increase expenses	-	-	-
Net increase in bank borrowings and overdrafts	2 964	21 863	21 863
Net decrease in bank borrowings and overdrafts	(1 680)	(48)	(48)
Decrease in lease liability	(3 003)	(7 475)	(7 475)
Net change in treasury shares	(25)	53	53
Interest expenses paid	(3 151)	(18 714)	(18 714)
Interest income received and net gain/loss from disposals	148	178	178
Net cash flow from financing activities	(4 747)	(4 143)	(4 143)
Overall change in cash position	(277)	26 879	27 336
Incidence of foreign exchange rate change	(3 111)	457	0
Opening cash position	50 246	22 909	22 909
Cash position at the end of period	46 858	50 246	50 246
broken down into:			
Marketable securities	658	678	678
Cash and cash equivalents	46 294	50 002	50 002
Overdraft	(93)	(435)	(435)

For more information, please refer to Section 3.12 on net financial debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – THE EUROPACORP GROUP

1.1 The Group's business

The core business of EuropaCorp, a public limited company (*société anonyme*) governed by French law, and its subsidiaries, is the production and distribution of cinematographic work.

1.2 Scope of consolidation

1.2.1 Changes in the scope of consolidation

Two changes in the scope of consolidation occurred between April 1, 2020 and March 31, 2021 and concern the companies EuropaCorp Finance LLC and EuropaCorp Pictures LLC.

Following the total transfer of assets of the companies Roissy Films and EuropaCorp Music Publishing to EuropaCorp and of the company Cipango Music to EuropaCorp Télévision, these three companies were deconsolidated during the financial year. These changes in the scope of consolidation have no impact on the consolidated financial statements.

1.2.2 Consolidated companies

All the companies in the scope prepare their accounts in euros (except EuropaCorp Films USA, EuropaCorp Television USA, EuropaCorp Pictures LLC and EuropaCorp Finance LLC, which prepare their accounts in US dollars).

			Financial year ended March 31, 2021				
Company	Registered office	SIREN number	Entry into the scope	Exit from the scope	Consolidation method	% interest	% control
EuropaCorp	20 rue Ampère 93200 Saint-Denis	384 824 041	Parent company				
EuropaCorp Distribution	20 rue Ampère 93200 Saint-Denis	434 969 861	April 1, 2001		FC	100%	100%
EuropaCorp Home Entertainment	20 rue Ampère 93200 Saint-Denis	438 619 512	April 1, 2001		FC	100%	100%
Dog Productions	20 rue Ampère 93200 Saint-Denis	422 132 829	April 1, 2002		FC	100%	100%
Intervista	20 rue Ampère 93200 Saint-Denis	395 246 408	April 1, 2002		FC	100%	100%
EuropaCorp Music Publishing	20 rue Ampère 93200 Saint-Denis	482 467 859	April 1, 2005	31 March 2021	FC	100%	100%
EuropaCorp TV	20 rue Ampère 93200 Saint-Denis	502 039 274	January 14, 2008		FC	100%	100%
Sofica EuropaCorp	20 rue Ampère 93200 Saint-Denis	452 204 381	April 1, 2004		FC	99.50%	100%
Ydéo	20 rue Ampère 93200 Saint-Denis	434 677 688	May 16, 2007		FC	100%	100%
Roissy Films	20 rue Ampère 93200 Saint-Denis	388 859 340	January 1, 2008	31 March 2021	FC	100%	100%
SCI Les Studios de Paris	20 rue Ampère 93200 Saint-Denis	514 118 611	August 13, 2009		Equity accounting	40%	40%

EuropaCorp Television	20 rue Ampère 93200 Saint-Denis	441 532 801	April 1, 2010		FC	95.20%	95.20%
Cipango Music	20 rue Ampère 93200 Saint-Denis	478 952 781	April 1, 2010	31 March 2021	FC	100%	100%
EuropaCorp Aéroville	20 rue Ampère 93200 Saint-Denis	533 700 373	July 19, 2011		FC	100%	100%
Blue Advertainment	20 rue Ampère 93200 Saint-Denis	508 804 911	March 1, 2013		FC	100%	100%
Blue Event	20 rue Ampère 93200 Saint-Denis	752 828 947	March 1, 2013		FC	95%	95%
Digital Factory	20 rue Ampère 93200 Saint-Denis	792 019 002	March 1, 2013		FC	100%	100%
EuropaCorp Films USA, Inc.	8605 Santa Monica Blvd PMB 124329 West Hollywood, CA 90069-4109		April 1, 2013		FC	100%	100%
EuropaCorp Television USA, LLC	8605 Santa Monica Blvd PMB 124329 West Hollywood, CA 90069-4109		September 23, 2015		FC	100%	100%
Valerian Holding	20 rue Ampère 93200 Saint-Denis	814 810 982	November 20, 2015		FC	100%	100%
Valerian SAS	20 rue Ampère 93200 Saint-Denis	814 899 738	November 25, 2015		FC	100%	100%
T5 Production	20 rue Ampère 93200 Saint-Denis	830 827 531	July 7, 2017		FC	100%	100%
Orchestra	20 rue Ampère 93200 Saint-Denis	830 318 952	June 16, 2017		FC	100%	100%
EuropaCorp Finance, LLC	251 Little Falls Drive 19808 Wilmington		July 1, 2020		FC	100%	100%
EuropaCorp Pictures, LLC	251 Little Falls Drive 19808 Wilmington		July 1, 2020		FC	100%	100%

1.3 Significant events during the financial year

1.3.1 Restructuring of the financial debt

The 2020/2021 financial year was marked by the finalization of the Group's financial restructuring with the entry of a new majority shareholder, the Vine Alternative Investments Group funds, and the appointment of a new Chief Executive Officer.

The Commercial Court of Bobigny approved the safeguard plan for the Company and its subsidiaries on July 24, 2020 and as such ended the safeguard procedure, enabling the Board of Directors to execute the delegation given by the Combined General Meeting on April 28, 2020. On July 28, 2020 the Board of Directors proceeded with the capital increases by converting second- and third-line receivables reserved for the Vine and Falcon funds, totaling around €192.5 million, by creating and issuing 81,124,722 new shares with a par value of €0.34 each. On that date, the share capital was therefore increased from €13,932,353.06 to €41,514,758.54, and is now composed of 122,102,231 shares, of which 73,444,492 belong to the Vine funds (60%).

In compliance with IFRIC 19, the equitization of the second and third lien debts of Vine and Falcon has been recognized at fair value of the shares issued on 28 July 2020. In this respect, the Company

reported as financial income a “technical” profit of €134.9 million representative of the difference between the fair value of the 81,124,722 new shares issued on the day of the capital increase, i.e. €57.6 million based on a stock exchange price of €0.71 per share, and the net book value in the balance sheet of the extinguished liability.

Following the completion of the capital increases reserved for the Vine funds, the Board of Directors of EuropaCorp, meeting on August 8, 2020, unanimously appointed Mr. Axel Duroux to the position of Chief Executive Officer of the Group, on the recommendation of the Compensation and Appointments Committee. He joined EuropaCorp on September 1, 2020.

1.3.2 Award of free shares

By decision of October 26, 2020, and on the proposal of the Appointments and Remuneration Committee on the same day, the Board of Directors decided to set up a plan for the free allocation of 591,787 shares of EuropaCorp SA for the benefit of the employees and corporate officers of EuropaCorp and its subsidiaries located in France. Similarly, by decision of November 16, 2020, and on the proposal of the Compensation and Appointments Committee on the same day, the Board of Directors decided to set up a plan for the free allocation of 436,365 EuropaCorp SA shares.

These decisions are part of the authorization granted by the Combined General Meeting of EuropaCorp’s shareholders of September 28, 2020, in its 28th resolution, for the purpose of making free share grants to employees or corporate officers of the company and affiliated companies within the meaning of Article L.225-197-2 of the French Commercial Code, up to a limit of 10% of the share capital.

The Board of Directors also decided to set the vesting period at 1 year (this period running from the date of this decision) and the retention period at 1 year (this period running from the end of the vesting period).

Finally, the Board of Directors specified that the said shares will only be effectively and definitively acquired by the beneficiaries at the end of the vesting period and that this operation will be carried out by the allocation either of new shares, to be issued within the framework of one or more capital increases, or of existing shares, resulting from repurchases made by the Company within the framework of its share buyback program.

1.3.3 Impacts of the second COVID wave

Given the changes in the health situation during the financial year ended on March 31, 2021, the Group considered that there was a risk of delays in the production and/or release of films in theaters. In this respect and in accordance with Article 5 of Order No. 2020-596 of May 20, 2020, a request was filed with the Commercial Court of Bobigny by the commissioners for the execution of the plan to extend the duration of EuropaCorp SA’s safeguard plan, for an additional two years, so that the total duration of the safeguard plan be nine years from July 24, 2020, implying a new payment schedule for the senior debt of €85.6 million. Other terms and conditions of the Plan which are not in contradiction with the foregoing would remain unmodified. By ruling on March 16, 2021, the Commercial Court of Bobigny approved the request, thus allowing the company to prepare the restart of productions following the end of Covid-19.

NOTE 2 – ACCOUNTING POLICIES AND METHODS

2.1 General accounting policies

2.1.1 *General accounting policies*

In accordance with Regulation (EU) No. 1606/2002 of July 19, 2002, EuropaCorp's consolidated financial statements for the financial year ended on March 31, 2021 have been prepared on the basis of the International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable at said date.

The accounting policies used to prepare the consolidated financial statements are compliant with the IFRS and their interpretations as adopted by the European Union as of March 31, 2021, which are available on the following website: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

These accounting policies are consistent with those used to prepare the annual consolidated financial statements for the financial year ended on March 31, 2020, with the exception of IFRS standards and IFRIC interpretations applicable from January 1, 2020 the details and individual impact of which are described in Note 2.2.

Consequently, EuropaCorp's accounts are prepared in accordance with IFRS standards and their interpretations as published by the IASB.

2.1.2 *Significant uncertainty related to continuity as a going concern*

Pursuant to IAS 1.25, management must assess the entity's ability to continue as a going concern and in the event of material uncertainties related to events or conditions likely to cast significant doubt on the Group's ability to continue its business activities, the entity must specify the nature of these uncertainties. To assess this ability, management takes into account all available information regarding the coming 12 months at a minimum, but not limited to this timeframe, from the end of the reporting period, i.e. until March 31, 2022.

Thanks to the validation of the Safeguard Plan by the Commercial Court on July 24, 2020 and the subsequent completion of the capital increases by way of conversion of receivables, the uncertainties regarding the Group's ability to continue as a going concern that had been specified as of March 31, 2020 have been lifted.

As a reminder, at this stage the Group is not under any short-term cash flow pressure and currently has several projects ready to begin production but the evolving health situation makes it difficult to organize production, especially for English-language films with international dimension. Therefore, several projects of films with a start of production planned during autumn 2020 have been delayed to the second half of 2021, shifting the forecast in the business plan approved by the safeguard plan in July 2020. As the extension of the EuropaCorp SA safeguard plan, for an additional two years, was approved by the Court on March 16, 2021, the Company is in a position to prepare for the resumption of production at the end of Covid-19. Despite the impacts that may occur, the going concern assumption is not called into question in view of the information available at the date of closing of these annual financial statements.

2.2 Changes in the IFRS framework

In particular, the IFRS standards of the IASB and the IFRIC interpretations, as adopted by the European Union (available on the European Commission's website http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission) for financial years beginning on or after April 1, 2020, have been applied by the Company and have not resulted in any significant change in the methods of valuation and presentation of the financial statements.

IFRS standards, IFRIC interpretations or amendments applied by the Company as from April 1, 2020

The new standards, amendments to standards and interpretations that came into force for financial years opened after January 1, 2020, had no significant impact on the Group's financial statements:

- Amendments to references to the Conceptual Framework;
- Amendments to IAS 1 and IAS 8 "Definition of 'equipment'";
- Amendments to IAS 39, IFRS 7 and IFRS 9 "Reform of benchmark interest rates";
- Limited amendments to IFRS 3 "Definition of an enterprise";
- Amendments to IFRS 16 "Covid-19 rent relief" applicable as from financial years beginning on June 1, 2020.

Accounting standards or interpretations yet to be applied by the Company

The IASB has published standards and interpretations that had not been adopted by the European Union as of March 31, 2021; to date these have not been applied by the Company.

- Amendments to IAS 28 and IFRS 10 "Sale or Contribution of Assets Between an Associate and a Joint Venture";
- Annual improvements (2018-2020) to IFRS;
- Amendments to IAS 37 "Onerous Contracts - Contract Performance Costs";
- Amendments to IFRS 3 "Business Combinations";
- Amendments to IAS 1 on the classification of liabilities as current and non-current liabilities;
- Amendments to IAS 1 "Disclosure of Accounting Policies";
- Amendments to IAS 8 "Definition of an Accounting Estimate".

On March 31, 2021, the IASB published a standard and interpretations, adopted by the European Union on March 31, 2021, applicable to financial years beginning on or after January 1, 2021. These texts were not applied in anticipation.

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

The impact of draft standards or interpretations currently under review by the IASB have not been anticipated in these consolidated financial statements and cannot be estimated with any degree of accuracy at this time.

2.3 Consolidation methods

The consolidated financial statements include the financial statements of EuropaCorp and of its subsidiaries. According to IAS 27, a subsidiary is an entity controlled by the parent company. Control is defined as the power to steer an entity's financial and operational policies to acquire future benefits from its activities.

The consolidated financial statements include the financial statements of EuropaCorp and of its subsidiaries to ensure compliance with the accounting principles adopted by the Group and after the exclusion of intragroup balances and transactions.

2.3.1 *Full consolidation*

Companies directly or indirectly controlled by EuropaCorp are fully consolidated.

The full consolidation method applied entails the full consolidation of assets, liabilities, income and expenses. The share of net assets and net income of minority shareholders is presented separately in the consolidated statement of financial position and profit and loss statement as non-controlling interests.

2.3.2 *Equity accounting*

When the Group exercises significant influence over an associate, the investment is accounted for using the equity method. Significant influence is presumed to exist when the parent company holds, directly or indirectly through subsidiaries, 20% or more of the voting power of the investee, unless it can be clearly demonstrated that the Group's influence is not significant.

2.4 Business combinations

In accordance with IFRS 3, business combinations are accounted for using the acquisition method. Thus, the assets and liabilities of the acquired company are measured at their fair value from the first consolidation of a controlled company. The fair value of the identifiable intangible items of the assets is calculated based on generally accepted methods, for instance on the basis of income, costs or market value.

Any differences in value resulting from this calculation are accounted for under the assets and liabilities concerned (including the share of non-controlling interests). The remaining amount, corresponding to the difference between the purchase price of the securities (including any earn-out payments if applicable) and the portion of net assets measured at fair value, is reported under goodwill.

The difference between the purchase price of the securities (including any earn-out payments estimated at the date control is taken) and the fair value of any identifiable assets and liabilities of the acquired company is posted in the consolidated statement of financial position under "Goodwill" for fully consolidated subsidiaries and under "Investments in associates" for subsidiaries consolidated using the equity method.

2.5 Translation method for foreign currency items

2.5.1 *Financial statements of foreign subsidiaries*

The accounts of all the subsidiaries of the Group whose functional currency is different from the consolidated accounts currency are translated into euros according to the following standards:

- Assets and liabilities are translated at the closing spot rate at the date of that balance sheet;
- Profits, losses and cash flows are translated using the average exchange rate over the period;
- Any exchange differences are reported as a separate component of the equity under "Other elements of the comprehensive income" and are stored as equity in the foreign exchange reserves.

2.5.2 *Foreign currency transactions*

Foreign currency transactions are accounted for and measured in accordance with IAS 21 "The Effects

of Changes in Foreign Exchange Rates". Pursuant to said standard, expense and income in foreign currencies are recorded at their exchange value in euros at the date of the transaction.

Liabilities, receivables and cash and cash equivalents in foreign currencies appear in the balance sheet at their exchange value at the financial year closing date.

Unrealized exchange gains and losses are recognized in financial income in the profit and loss statement. Exchange differences arising from the conversion of net investments in a foreign operation are recognized as a distinct component of equity, as required by IAS 21. When a foreign activity is sold, these differences of conversion are recognized in the profit and loss account as gains or losses on sale of assets.

2.6 Goodwill

In accordance with IAS 36, goodwill is tested for impairment at least once a year at the end of the financial year or when required in the event impairment indicators are identified.

The impairment test is carried out by the cash generating unit to which the goodwill has been allocated, by comparing its net book value and its recoverable amount. The recoverable amount is the higher of the amounts calculated under the fair value less cost of disposal and value in use approaches based on discounted future cash flows.

Goodwill is allocated to the smallest identifiable set of assets or cash generating units ("CGU"). CGUs are represented by the activities of the different Group companies, i.e.

- for the **Production and Distribution of cinematographic films** CGU: EuropaCorp, EuropaCorp Distribution, EuropaCorp Home Entertainment, Blue Advertainment, Digital Factory, EuropaCorp Films USA, Valerian, EuropaCorp Finance LLC, EuropaCorp Picture LLC;
- for the **Production and Distribution of TV drama and series** CGU: EuropaCorp Television, EuropaCorp TV (themed channels and audiovisual productions);
- for the **Event** CGU: Blue Event;
- for the CGUs representative of **ancillary activities not directly related to the exploitation of cinematographic films**: Dog Productions (advertising production), Intervista (literary publishing), Ydéo (marketing), etc.

The method used to estimate the value in use of the catalog for the **Production and Distribution of films** CGU is based on the discounted future cash flows generated primarily by the exploitation of films for which the Group holds production rights. Future cash flows largely depend on the assumptions used to estimate revenues and on the time horizon. Estimated proceeds correspond to the revenues of France and US Theaters, France and US TV, France and US Video, International Sales, less the payment of net revenues to officers or third parties and other general marketing expenses.

Future cash flows have been calculated over a period of up to 15 years, taking into account a yearly inflation rate of 1.5% and a tax rate of 23.3% in the United States and of 26.5% in France for 2022 and 25% from 2023, in accordance with the rate decrease decided by the Government. For a few rare high-potential intangible assets (films), perpetual inflow has been considered based on the most recent television sale, with a rate of decline comprised between 11% and 13.8% before inflation every three years.

All of the estimated cash flows combined are discounted as of March 31, 2021. The rate used to discount estimated cash flows is the opportunity cost of capital (7.45%), deemed to be the profitability rate expected by shareholders.

Any depreciation is recorded under "Other operating income and expenses". Depreciation recognized in relation to goodwill is irreversible.

2.7 Intangible assets

In accordance with IAS 38 “Intangible Assets”, only items whose cost can be measured reliably and that are likely to generate future economic benefits for the Group are posted under intangible assets.

2.7.1 *Films and audiovisual rights*

The gross value of films and audiovisual rights comprises the following components:

- films produced by EuropaCorp Group as executive producer, intended to be exploited in France or abroad by any audiovisual means;
- shares in French or foreign coproductions;
- acquisition of rights to exploit audiovisual work.

The gross value of films recorded in the statement of financial position includes the following (from the end date of shooting):

- investments made, after the contributions of the films’ co-producers if the Group acted as Executive producer;
- the value of the acquisition of tangible and intangible rights if the Group did not take part in production.

Capitalized cost of a film includes interest expenses incurred during the production period (capitalized borrowing costs for each production, if paid in their entirety by the Company), as well as a portion of overheads that is directly attributable to the production. Payroll costs included in investment costs only concern staff that is directly involved in the production process.

Costs for the release of films in theaters in France (marketing, distribution and copying expenses) are accounted for directly under expenses when incurred.

2.7.2 *Production costs*

Production costs comprise all direct and financing costs incurred to produce a film up to the end of shooting and post-production, as well as a portion of overheads directly attributable to production.

2.7.3 *Preliminary expenses*

Preliminary expenses recognized under intangible assets in compliance with IAS 38 are essentially the fees paid to acquire existing film rights (option agreements) and adaptation costs in view of securing a script that the Group intends to produce in the mid-term. They are reported separately and reviewed project by project at each period closing.

Preliminary costs that do not lead to a decision to shoot within five years from their first recognition are depreciated. However, this principle does not apply to projects having been recognized for more than five years, if there are specific production commitments or genuine expressions of interest, or when the Company believes that the development timeframe does not call into question the start of shooting in the long term.

2.7.4 *Depreciation and amortization of intangible assets*

Amortization of a finished film or TV drama starts upon recognition of the first proceeds associated to their exploitation (in accordance with the accounting principles described below in Section 2.18), if the exploitation rights have vested. Yearly amortization is posted in the statement of financial position under “cost of sales”.

Films and audiovisual productions are amortized individually using the film forecast method, i.e. by applying to the cost of the film the ratio resulting from the comparison of actual net revenues and total estimated net revenues. During the films exploitation, the revenues perceived as renewals of licenses or royalties indicate the audience's continuous interest or progressive disinterest for the films and therefore represent the future economic benefits expected from the asset. The group therefore considers the film forecast method as the best suited method for amortization.

Total net revenues include i) net revenues acquired over the period, notably including income and distribution expenses for films on US territory, and ii) projected net revenues over a period of 12 years maximum from the premier date.

The time frame used for estimating future revenue is not fixed and may be reviewed if future income from international operation or TV France is considered significant and spread over a longer period. To date, given i) the fact that EuropaCorp itself now distributes the great majority of its films in the territory of the United States, and ii) histories of sales of TV rights in France, and lastly, iii) the practices of the main competitors of the Group, the use of a maximum period of 12 years to determine projected net revenue appears justified and compliant with industry practice. The Senior Management regularly reviews and adjusts the expected net revenue, if required, taking into account the performance of film exploitation, of new or expected agreements and the evolution of the audiovisual market at the closing date of the accounts.

If net amortization of the investment as calculated with this method is higher than the net income forecast, additional exceptional depreciation is recorded to cover the shortfall.

Insofar as a significant portion of net revenue from international films is currently generated at the start of exploitation (in particularly thanks to international presales), in general the amortization expense accounts for over half of their gross value in the financial year they were first exploited. In addition, as generally international films are more expensive, they also generate higher amortization expenses. The review of expected future net revenues may lead to significant fluctuations in the amortization rate applied to the remainder of the production costs to be amortized.

Likewise, a depreciation provision may be recorded for ongoing productions at the end of the financial year, if the initial budget is exceeded by a significant amount or if the ultimates estimates made by the operational teams are below our net investment in the film at the closing date. A provision is also created for films exploited between the closing date of the accounts and their approval, if the estimated value of future revenues is lower than the amount invested. The value of depreciation provisions is reviewed at each period end.

2.8 Property, Plant and Equipment

In accordance with IAS 16 "Property, Plant and Equipment", property, plant and equipment are recognized under assets in the statement of financial position at their acquisition cost, and depreciated using the straight-line method, with any components of individual significance reported and depreciated separately.

The following amortization periods have been applied:

- Buildings: 25 years;
- Furniture: 3 to 10 years;
- Office and IT equipment: 3 to 10 years;
- Transport equipment: 5 years.

2.9 Other financial assets

Investments in non-consolidated companies are measured at their historical cost, which as of March 31, 2021 is equivalent to their market value.

Other financial assets, comprising mainly deposits and guarantees paid and payables associated with equity interests are recorded at their amortized cost.

2.10 Inventory

Inventory is accounted for at its initial cost, which corresponds to its acquisition value. A write-down is recognized when the acquisition value is inferior to the market value.

2.11 Trade and other receivables

Receivables are recognized at their nominal value. A depreciation provision is established for receivables under dispute or unusual late payments, where there is a high probability that it won't be possible to recover the payable amount in full. The depreciation percentage is determined case by case.

2.12 Cash and cash equivalents

Cash and cash equivalents include bank deposits (film bank accounts or bank accounts considered to be "corporate"), cash, short-term deposits with an initial maturity lower than 3 months, and cash UCITS units which are readily available and are not exposed to a material risk of depreciation.

The Group has analyzed and verified that marketable securities are eligible to be classified as IFRS "Cash equivalents" under the IAS 7 criteria and the AMF's recommendations.

In accordance with IAS 39 "Financial Instruments", these items are measured at their fair value. Changes in fair value are recognized in profit (loss).

2.13 Deferred tax

In accordance with IAS 12 "Income Tax", deferred tax is recorded against any time difference between the book and tax value of assets and liabilities in the consolidated statement of financial position. The Group applies the liability method to account for all deferred tax assets and liabilities whether the unrecognized tax position of a consolidated entity shows net deferred liabilities or net deferred assets, provided the deferred tax assets is likely to be recovered from a taxable profit. In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are recognized based on the expected tax rate for the financial year of realization of the assets or settlement of the liabilities, in accordance with the tax rates in force at the end date of the period.

In the event that tax loss carry-forwards are available at the end of a financial year, they may be recognized in full or in part, provided that the available business forecasts to that date, covering a reasonable period, guarantee that the recognized tax losses are very likely to be recovered, or when this recognition allows the tax consolidation group to limit its net deferred tax assets to the amount of its net deferred tax liabilities.

In the event of full or partial recognition of tax loss carry-forwards, it is the Business Units' Managers and Senior Management who are responsible for the business forecasts used for this purpose. In addition, the forecasts need to be consistent with the projections used for the impairment test of goodwill.

2.14 Derivative instruments

To mitigate its foreign exchange risk on future currency transactions, EuropaCorp signs forward currency or currency option contracts with financial institutions when required. As of March 31, 2021, EuropaCorp had no foreign exchange hedging contracts in effect.

These financial instruments, linked to commercial transactions, are posted in the statement of financial position under current assets and liabilities and are measured at period end at their fair value based on market conditions and data.

The Group has chosen not to apply hedge accounting to these financial instruments. Therefore, changes in fair value are recognized in financial income.

2.15 Provisions for risks and expenses

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision for risks is created when the Group has an obligation toward a third party and it is likely that this will entail an outflow of resources without consideration and equivalent at least to the profit for the third party, and the amount of the obligation can be estimated reliably.

Since provisions are estimated based on future risks and expenses, the amounts include an element of uncertainty and may be adjusted in subsequent periods.

2.16 Pension commitments and other post-employment benefits

In accordance with IAS 19 "Employee Benefits", pensions and other post-employment benefits part of defined-benefit plans are valued by independent actuaries based on the projected unit credit method.

The provisions for severance payments cover the Group's pension benefit obligations *vis-à-vis* its employees. Said obligation is limited to the severance payments provided for in the Cinematographic Distribution Collective Agreement. It is calculated using the retrospective method based on the final salary, i.e. by valuing projected entitlements at the estimated date of retirement prorated based on length of service over the period these entitlements were acquired. More in particular, it takes into account:

- rights under agreements in relation to the seniority acquired by the various categories of personnel;
- an estimated date of voluntary retirement set at 63 years of age for all employees, across all job classifications;
- a turnover rate of 10% across the EuropaCorp Group. This rate is reviewed periodically on the basis of actual departures;
- wages and salaries including an employer's social security contribution coefficient of 45%;
- a yearly salary increase rate of 3% for managers and 1.5% for employees and supervisors;
- the life expectancy of employees based on statistical tables;
- a discount rate for the pension benefit obligation, reviewed at the end of each financial year. The

tax rate used for all companies in the EuropaCorp Group was 0.72% as of March 31, 2021.

Changes in actuarial gains and losses over the financial year are accounted for directly in the profit and loss statement.

2.17 Debt

In accordance with IAS 39, debt and other financial liabilities are valued at their amortized cost. As of March 31, 2021, debt under one year mainly comprised lines of credit and bank overdrafts bearing interest.

Bank commissions related to the different credit lines used by the Company are recognized as transaction costs, in accordance with IAS 39.9, and are taken to profit or loss over the life of the loan (effective interest method).

2.18 Revenues

Revenues from the exploitation of TV dramas and films are recognized once rights have vested in accordance with the following criteria.

2.18.1 Theaters - France

Revenues from the films distribution to theaters in France are recognized when sold to the ticket offices, based on a weekly report submitted by each theater stating revenues for the previous week. Generally, the corresponding revenues are collected during the quarter following the film's release.

2.18.2 Television - France

In accordance with IFRS, revenue from the sale of television broadcasting rights to French pay and free-to-air TV channels are analyzed, pursuant to IFRS 15, as licensing agreements giving rise to a right-of-use of the films as they exist as of the sale date. This income is entirely recorded as revenue when the performance obligations are fully executed and the transfer of control of the right-of-use has taken place. This transfer takes place following the signature of the sale contract, after the acceptance of the broadcasting material and as of the effective date of the broadcasting rights.

2.18.3 International

Most "multiple rights" contracts allow the commercial exploitation of a film or TV drama in a specific region through multiple distribution channels, including theaters, the video market, television and, in certain cases, VOD.

Revenues from these right assignment contracts are royalties and are recognized upon physical delivery to the local distributor of the items covered under the contract for the relevant film(s) (or TV series), when exploitation rights for the local distributor are accounted for.

If the one contract with a foreign distributor provides for different deliveries with corresponding benefits and revenues which are measurable (in general, a guaranteed minimum), discrete, separable and vested on EuropaCorp at the time of the deliveries, the proceeds of each delivery are recognized when the following deliveries are made and accepted by the foreign distributor.

In addition, any potential royalty payments in excess of the minimum guarantee are posted under revenue only when finally acquired, i.e. when the amount has been confirmed by the local distributor.

Any contract entered into before delivery entails the recognition of a "Contract liability" under

liabilities in the statement of financial position (if income has been billed and the corresponding receivable is due), or under “Off-balance sheet commitments received” (if no invoice has been issued or the receivable is not due yet), until delivery.

2.18.4 Video and VOD

Proceeds from the exploitation of video rights are accounted for based on monthly sales. At the end of the financial year, a provision is created for estimated returns and rebates granted contractually to clients (notably for large quantities). This provision is deducted from the revenue of the financial year.

Revenues from VOD and pay-per-view film offers are recognized upon receipt of the reports prepared by the operators, generally on a monthly basis. In general, this revenue is equally shared between the Group and the operator. The former, however, receives a minimum amount per view.

2.18.5 Licensing and partnerships

Income from licenses and partnership agreements is recognized in accordance with the contractual provisions. Any royalties received above the guaranteed minimums are accounted for under income upon issuance of the invoice, i.e. upon receipt of the report prepared by the licensee.

2.18.6 Music publishing

Income from the sale of soundtrack CDs comprises the guaranteed minimums of licensed distributors and any royalties. It is reported in accordance with contractual provisions. Any royalties received above the guaranteed minimums are accounted for under income upon issuance of the invoice, i.e. upon receipt of the report prepared by the licensee.

Income from international music publishing agreements is recognized at the date royalties are billed. Income from publishing in France is collected by third parties, which send sales report to the Group. The corresponding income is reported when the Group issues the invoice for the amount payable by the third parties.

2.18.7 Line production

Commissions received by EuropaCorp for its services as line producer are recognized under income based on the progress of each production at the closing date.

Until all of the conditions above are met, revenues are posted as contract liabilities in the consolidated statement of financial position under “Other non-current liabilities” and “Other current liabilities”.

2.18.8 Events

The main component of the revenues of this business is service provision fees under contracts whose benefits are recognized in revenue upon realization.

2.19 Automatic subsidies from the National Cinematographic Center

The Group receives subsidies funds from the CNC (Centre National du Cinéma et de l’image animée) for the exploitation of the films classified as European works that receive production approval from the CNC. This funding is then used to finance the production of films satisfying the conditions laid down by the CNC. Revenue is recognized for each share corresponding to stage of the exploitation of the film, which includes distribution in theaters, the sale of television broadcasting rights, and the video market. The subsidies funding received by EuropaCorp Distribution and EuropaCorp Home

Entertainment for their distribution and video editing activities is thus recognized in revenue as the receipts from the activities are recorded. The claim against the CNC is listed in the balance sheet under the category “Other receivables”. The subsidies funding is not deposited by the Group until it is invested in the production of new films that meet the conditions set by the CNC. Funds not re-invested within a period of five years are prescribed and recognized in the profit and loss statement as other operating expenses. For the production of audiovisual drama, the Group enjoys a comparable subsidies system also managed by the CNC called an audiovisual industry subsidies account (COSIP), which is recorded using the same principles as the subsidies funding. The subsidy funds generated and other similar subsidies amounted to €0 and €1,117 thousand respectively for the financial years ended March 31, 2021 and 2020, or 0% and 1.6% respectively of total revenue for these years.

2.20 Cinema tax credit

The tax credit for the production of French films or French TV series in France aims to encourage production companies to write and produce their works within the national borders.

For the financial year ended on March 31, 2021, the Company received no cinema tax credit. In accordance with the IFRS standards, those credits were allocated to the films in question proportionally to their amortization and appear in the profit and loss statement under the item “cost of sales”.

2.21 Operating expenses

Operating expenses are divided between cost of sales and overheads.

Cost of sales includes the following expenses:

- amortization and provisions (net of reversals) of films and TV dramas, as well as provisions for preliminary costs: **please refer to above Section 2.7.4 Depreciation and amortization of intangible assets;**
- printing and distribution costs: these are mainly equal to technical, promotional and advertising costs and are recognized in the consolidated profit and loss statement under expenses in “Cost of sales”. Costs for the reproduction or copying of films or TV dramas in a format that is suitable for delivery/broadcasting and the cost of video reproduction are reported under expenses when incurred. Marketing and advertising costs are accounted for as expenses in “Cost of sales” when incurred;
- technical costs for equipment use;
- payments to third parties recognized as revenues come in;
- contributions and taxes directly attributable to films.

In addition, overheads include property lease expenses. Leases under which the lessor retains substantially all risks and rewards of ownership are classified as operating leases. Payments under these contracts are expensed on a straight-line basis over the term of the lease.

2.22 Profit (loss) per share

The basic earnings per share is calculated by dividing the net income Group share by the average weighted number of outstanding ordinary shares over the financial year, excluding treasury shares. Earnings per share after dilution is calculated based on the average weighted number of outstanding shares during the financial year, plus the number of shares that would be generated by the exercise of all share subscription options awarded at the reporting date and entailing dilution.

The main assumptions used for the calculations on March 31, 2020 and March 31, 2021 are as follows:

Number of shares as of March 31, 2020	40,977,509
Number of treasury shares as of March 31, 2020	65,651
Number of shares created for the capital increases of July 28, 2020	81,124,722
Number of treasury shares as of March 31, 2021	83,718
<i>Dilutive effect related to the free shares allocation plan</i>	
Maximum number of shares granted on October 26, 2020	591,787
Maximum number of shares granted on November 16, 2020	436,365
Weighted average number of shares as of March 31, 2021 (excluding treasury shares)	95,569,631
Weighted average number of shares as of March 31, 2021 - dilutive (excluding treasury shares)	95,983,954

2.23 Information by operating segment

The impact of IFRS 8 “Operating Segments” on EuropaCorp’s consolidated statements is specifically disclosed in Note 6 to the consolidated financial statements as of March 31, 2021.

2.24 Estimates of Senior Management

Preparing the financial statements involves making estimates and assumptions concerning the valuation of certain assets and liabilities booked to the consolidated statement of financial position, and certain elements of the profit and loss statement. The Management may also have to exercise its judgment when applying the group’s accounting methods.

These estimates and judgments are based firstly on historical information and secondly on the anticipation of future events judged reasonable given the circumstances. Given the share of uncertainty concerning the realization of assumptions about the future, the resulting accounting estimates may differ from actual future results.

The main assumptions in relation to future events and other sources of uncertainty associated with the use of estimates at the reporting date entailing a material risk of changes in the net book values of assets and liabilities during a future financial year relate to:

- the appraisal of the net book value of films, in particular based on estimated future revenues;
- the appraisal of estimated costs, taking into account Senior Management’s assessment of the likelihood of start of production for the films concerned;
- the appraisal of the recoverable amount of future film rights (remakes, prequels, sequels, etc.), based on Senior Management’s assessment of the likelihood of start of production for the films concerned;
- the appraisal of the recoverable amount of goodwill and other intangible assets with an indefinite useful life and assets generating independent cash inflows, in particular by determining the future cash flows of the activities concerned, the long-term growth rate and discount rate;
- the appraisal of the recoverability of deferred tax assets, in particular in relation to tax payable in future financial years;
- the appraisal of risks linked with legal actions involving the Group;
- the estimate of the provision for pensions and other post-employment benefits based on financial assumptions such as the discount rate, and demographic assumptions such as the salary increase rate and staff turnover rate.

NOTE 3 – NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

3.1 Goodwill

For further details on the accounting and measurement methods and ratios used to carry out impairment tests on goodwill, see Sections 2.6 *Goodwill* and 2.4 *Business combinations* hereof.

The business projections and estimates of operations used to carry out the impairment test on the different CGUs are prepared by the Managers of the respective CGUs and approved by Senior Management.

In addition, a sensitivity analysis of the assumptions used to determine recoverable amounts was also carried out. Annual impairment tests led to the following conclusions:

a) For the Production and Distribution of films CGU:

At the end of each period, the Company compares the catalog's value with the book value of the CGU's net assets.

For the entities composing the CGU, the difference measured between the value of the Production and Distribution of films CGU and the consolidated net book value of its assets was largely positive.

The main assumptions based on which the sensitivity of the parameters would cause a change in the forecasted recoverable amounts are:

- estimated future revenues: the impact of a 5% reduction in comparison with the assumptions used would not affect the outcomes of the impairment test. Furthermore, part of the projected revenues corresponds to guaranteed revenues, having already been signed;
- the discount rate: taking into account the short-term horizon of the estimated future cash flows, the impact of a 1-point increase in the discount rate would not affect the outcomes of the impairment test.

b) For the Production and Distribution of TV drama and series CGU:

As of March 31, 2018, following the sale of the business assets relating to the French television activity, the goodwill related to the Production and Distribution of TV drama and series CGU was totally written off.

c) For the Events CGU:

The annual impairment test carried out on March 31, 2014 led the Group to fully depreciate the goodwill, amounting to €951 thousand.

3.2 Intangible assets

(in thousands of euros)	03/31/2020	Movements of the period			03/31/2021
		+	-	Other ⁽¹⁾	
Films and audiovisual rights	1,423,728	422	(41)	(951)	1,423,158
Production costs	104	35		(104)	35
Preliminary expenses	16,446	38		104	16,588
Other	83,713	-		(5,191)	78,522
Gross amount	1,523,991	494	(41)	(6,142)	1,518,303
Films and audiovisual rights	(1,387,913)	(13,227)		951	(1,400,189)
Other	(83,616)	(3)		5,191	(78,428)
Depreciation/Provisions	(1,471,529)	(13,230)	-	6,142	(1,478,618)
Net amount	52,461	(12,736)	(41)	-	39,685

(1) Changes in scope, transfers between items, foreign exchange effect.

On March 31, 2021, the net book value of intangible assets comprised the following:

(in thousands of euros)	03/31/2021	03/31/2020
Preliminary expenses	963	1,615
Production costs	35	-
Completed films	38,593	50,750
Other intangible assets	94	97
TOTAL INTANGIBLE ASSETS	39,685	52,461

No financial expenses were capitalized in fixed assets for the financial year ended on March 31, 2021 compared to €61 thousand for the year ended on March 31, 2020.

In addition, the impairment provision for preliminary expenses undertaken for film projects stands at €15,243 thousand, including €412 thousand recognized during the financial year.

The Company emphasizes that films and audiovisual productions are amortized individually using the film forecast method, i.e. by applying to the cost of the film the ratio resulting from the comparison of actual net revenues and total estimated net revenues. Please refer to Section 2.7.4 in this Appendix for details.

3.3 Property, Plant and Equipment

(in thousands of euros)	03/31/2020	Movements of the period			03/31/2021
		+	-	Other ⁽¹⁾	
Plant, machinery and equipment	11,641	-		(4,315)	7,326
Land, buildings	19,983	-	(16,892)	2,336	5,427
Other property, plant and equipment	3,856	-	(107)	(1,875)	1,874
Gross amount	35,480	-	(16,998)	(3,855)	14,627
Plant, machinery and equipment	(10,872)	(648)	-	4,652	(6,867)
Land, buildings	(15,610)	-	15,392	(2,426)	(2,644)
Other property, plant and equipment	(3,760)	(3)	107	1,985	(1,671)
Depreciation/Provisions	(30,241)	(651)	15,498	4,211	(11,182)
Net amount	5,239	(651)	(1,500)	356	3,445

(1) Changes in scope, transfers between items, foreign exchange effect.

Property, plant and equipment mainly includes assets held by Digital Factory (buildings, installations and technical equipment). The €1.5 million decrease in net value over the period corresponds to the

disposal of the assets held by Digital Factory on the site located in Normandy.

3.4 Other financial assets

Other financial assets mainly include deposits and guarantees maturing beyond one year and non-consolidated securities (held by EuropaCorp SA).

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Non-consolidated securities	500	500
Loans and other receivables	610	610
Deposits and guarantees > 1 year	7,793	6,885
Net amount	8,903	7,995

These deposits and guarantees mostly include the guarantees paid to the Guilds for €4.8 million, as well as the deposit paid by EuropaCorp to the lessor for an amount of €3 million under the commercial lease agreement for the La Cité du Cinéma premises.

Non-consolidated securities mainly relate to a non-controlling interest held by EuropaCorp SA in the company ELZEVIR FILMS. These equity interests are recorded at their net value, which corresponds to the acquisition value of these securities reduced by a potential depreciation calculated from the valuation of the subsidiary's stock of films.

3.5 Investments in associates

Les Studios de Paris closes its accounts on December 31. For the purpose of closing EuropaCorp Group's annual financial statements, the Company presented its position on March 31, 2021. Thus, the share of net income posted in EuropaCorp's consolidated financial statements corresponds to the company's operations from April 1, 2020 to March 31, 2021.

As a reminder, EuropaCorp holds a 40% stake and does not control this company.

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Control %	40.00%	40.00%
Book value of net assets held (in thousands of euros)	(3,331)	(2,312)
Share of profit (loss)	(1,019)	(1,153)
Contribution to consolidated equity	(9,377)	(8,358)
Statement of financial position	10,287	16,195
Revenue	3,014	6,238
Net income	(2,547)	(2,883)

On March 31, 2021, the Group's share of the cumulative losses of Les Studios de Paris exceeded the book value of its investment in the company. In accordance with IAS 28.38, the EuropaCorp Group has capped the recognition of its share of losses to the extent of its net investment. When Les Studios de Paris subsequently generates profits, the EuropaCorp Group will only resume recognition of its share of profits when this share equals or exceeds its share of unrecognized net losses. This share of unrecognized net losses amounted to €443,300 as of March 31, 2021.

3.6 Deferred tax

Deferred tax was determined as of March 31, 2021 based on a standard tax rate of 25.825% for the companies located in France and a rate of 21% increased by federal taxes for the American companies. As of March 31, 2020, the standard rate was equal to 27.33% for the companies located in France and 21% increased by federal taxes for the American companies. Deferred tax breaks down as follows as of March 31, 2021:

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Deferred tax assets	502	15,292
Deferred tax liabilities	(334)	(1,383)
Net deferred tax	168	13,909
<i>Of which time difference for TV Films revenue</i>	2,482	3,362
<i>Of which Subsidies funding</i>	(112)	(428)
<i>Of which Film amortization</i>	(2,736)	(12,313)
<i>Of which fair value of forward sales in foreign currencies</i>	-	-
<i>Of which tax debt of operations</i>	1,031	2,633
<i>Of which other temporary changes</i>	(497)	20,654
Net amount	168	13,909

Deferred tax on other temporary changes is primarily linked to films depreciations that have yet to become tax deductibles as they relate to assets that have not been exploited yet or to provisions for amortizing films already released but with different tax and accounting rules, which thus create time differences.

The deferred tax asset of \$0.6 million recognized as a result of the tax loss carry-forwards relates to the company EuropaCorp Films USA. This company has a maximum theoretical amount of deferred tax assets of €33.2 million, the equivalent of \$39 million, in tax loss carry-forwards. The sales forecasts used and updated in May 2021 cover a five-year period from the financial year ended on March 31, 2021 and allow this deferred tax asset to be partially recognized.

Uncertainties in relation to the business forecasts used to appraise the likelihood of the recoverability of recognized deferred liabilities mainly comprise the risk of delay in production schedules (films or TV series, as applicable), in particular due to a competitive environment and periods of unavailability of talents, as well as the risk that budget limits may be exceeded (see Section 3 of the Universal Registration Document).

The consolidated Group's tax losses are recognized in the financial statements so as to cap the net deferred tax assets of the companies comprising the tax consolidation scope up to their net deferred tax liabilities.

The reconciliation between the theoretical tax calculated based on the standard French tax rate of 25.825% and the actual tax imposed on the Group is as follows:

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Income before tax and share of net income of associates*	2,914	(85,688)
Cinema tax credit		
Theoretical tax rate	25.83%	27.33%
Theoretical tax expense	(752)	23,419
(Increase) / Decrease of tax expense resulting from:		
<i>Permanent differences</i>	(598)	(1,033)
<i>Recognized tax liabilities</i>	(11,346)	(29,188)
<i>Miscellaneous</i>	(1,897)	(1,733)
Actual tax (current and deferred)	(14,594)	(8,535)

* Excluding the IFRS impact (IFRIC 19) of €134,921 thousand.

The permanent differences include €(0.3) million of reintegration of financial expenses as part of the tax provisions related to the financial reduction.

3.7 Inventory

Inventory breaks down as follows as of March 31, 2021:

<i>(in thousands of euros)</i>	Production costs (films)	Video (Blu-ray & DVD)	Merchandising	Books	TOTAL
Gross amount on March 31, 2020	-	255	101	421	777
Depreciation provisions	-	(22)	(101)	(421)	(544)
Net amount on March 31, 2020	-	233	-	-	233
Gross amount on March 31, 2021	-	284	101	32	417
Depreciation provisions	-	(92)	(101)	(32)	(225)
Gross amount on March 31, 2021	-	192	-	-	192

3.8 Trade receivables

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Trade receivables - nominal value	21,703	24,681
Provision for trade receivables depreciation	(6,596)	(5,367)
Net value of trade receivables	15,107	19,314
Contract assets	7,842	8,661
Total trade receivables	22,949	27,975

The maturity of trade receivables on March 31, 2021 breaks down as follows:

Gross value of receivables <i>(in thousands of euros)</i>	03/31/2021	Owing	Not yet due (< 1 year)	Not yet due (> 1 year)
EuropaCorp Group total	29,545	4,598	24,948	-

Receivables are recognized at their nominal value after deducting the depreciation provisions for non-recoverable amounts. Doubtful receivables are estimated when it is no longer likely that the amount due will be recovered in full. Non-recoverable receivables are accounted under losses if identified as such.

As previously mentioned, as of March 31, 2014, the Group recognized annual revenue of €29.7 million (or \$42.7 million) resulting from the buy-out agreement signed with Fox in March 2014. As of March 31, 2021, the balance of the receivable related to this agreement was reduced to \$4.4 million, or €3.2 million, following payments received of \$2.6 million, or €2.3 million, during the financial year. The remaining balance will be paid in installments as statements are received and, in any event, will be settled in full no later than March 31, 2024. Note also that this receivable was discounted at the closing date based on a three-year recovery assumption, taking into account the improved cash flow on other films with this distributor and by applying a discount rate of 2.1%.

No additional revenue was recognized under this agreement during the period. Foreign exchange gains and losses linked to the US dollar movements have been recognized in operating income in accordance with ANC Regulation no. 2015-05 of July 2, 2015.

The trade receivables owing as of March 31, 2021 mainly consist of receivables for which a collection procedure has been initiated, with a proposal for new payment schedules. The doubtful receivables stand at €7,329 thousand and are 90% impaired.

Receivables beyond one year are due primarily by television channels.

The reconciliation of the trade receivables depreciation provision is presented in the table below:

(in thousands of euros)	03/31/2020	Accruals	Reversal		Other	03/31/2021
			With use	Without use		
Provision for trade receivables depreciation	(5,367)	(1,229)				(6,596)

* Impact of changes in the scope of consolidation.

To secure the funding it requires for its business, EuropaCorp assigns receivables pursuant to the Dailly Act. However, the amounts due remain under trade receivables in the statement of financial position, as only settlement is transferred to the banks. As of March 31, 2021, no delegation has been granted.

3.9 Other receivables

Detail of receivables by type

(in thousands of euros)	03/31/2021	03/31/2020
Advances and down-payments to suppliers	2,425	6,642
Support funds & COSIP (audiovisual support)	9,585	10,881
Tax and social security credits	4,199	7,311
Other receivables	7,735	9,329
Gross amount	23,944	34,162
Depreciation provisions	(16,385)	(12,714)
Net amount	7,558	21,449

As of March 31, 2021, CNC receivables (subsidy funds) included €7.5 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 March 31, 2021, this receivable was written down for an amount of €9.1 million taking into account the change of nationality of the majority shareholder on July 28, 2020 (impairment recorded during the 2019/2020 financial year).

The other receivables primarily include amounts owned by co-producers. They have a maturity of less than one year.

3.10 Equity

3.10.1 Breakdown of the share capital

As of March 31, 2007, EuropaCorp’s capital comprised 15,400,000 securities with a par value of €0.34.

Following EuropaCorp’s listing on Euronext Paris’ Eurolist market on July 6, 2007, the share capital included 20,310,828 fully paid-up shares with a par value of €0.34, i.e. a total capital of €6,905,681.52.

On February 28, 2013, following a capital increase in cash and contributions in kind, the share capital comprised 29,315,154 ordinary shares with a par value of €0.34 each, i.e. a total capital of €9,967,152.36.

On May 22, 2015, the Board of Directors acknowledged the fulfillment of the award conditions and therefore the issuance of 233,783 new shares with a par value of thirty-four (34) euro cents each, for the benefit of employees present in the Group at May 22, 2013 and eligible for the award on May 22, 2015.

On November 17, 2016, the Board of Directors validated a capital increase in cash of €3,885,714.48 through the creation and the issuance of 11,428,572 new shares with a par value of €0.34 each.

As of March 31, 2020, the share capital stood at €13,932,353.06. It is divided into 40,977,509 fully paid-up ordinary shares of the same category, with a par value of €0.34 each.

The Board of Directors meeting of July 28, 2020, making use of the delegation of authority granted by the Combined General Meeting of Shareholders held on April 28, 2020, approved a share capital increase in cash (reserved for the Vine and Falcon funds) of a total nominal amount equal to €27,582,405.50, through the creation and issue of 81,124,722 new shares with a nominal value of €0.34 each.

As of March 31, 2021, the share capital stood at €41,514,758.54. It is divided into 122,102,231 fully paid-up ordinary shares of the same category, with a par value of €0.34 each.

As of March 31, 2021, in compliance with IAS 32, fees directly attributable to capital increases were accounted for as a deduction from equity for an amount of €1.5 million.

Change in share capital ownership between 03/31/2020 and 03/31/2021

Corporate officers

Full name/Company	Position at 31/03/2020	Position at 31/03/2021	Nationality	Number of shares at 31/03/2020	Percentage paid up	Number of shares at 31/03/2021	Percentage paid up
Vine funds			US			73 444 492	100%
Luc Besson and Front Line	Chairman of the Board	Chairman of the Board	FR	12 939 938	100%	15 600 226	100%
Virginie Besson-Silla	Director		FR	28 407	100%	28 407	100%
Coralie de Fontenay	Director		FR	1	100%	1	100%
Didier Kunstlinger	Permanent representative of Front Line, Director		FR	1	100%	1	100%
Charles Milhaud	Deputy Chairman of the Board		FR	1	100%	1	100%
Patrice Gassenbach	Director		FR	1	100%	1	100%
Lisa Leboff	Director		FR	1	100%	1	100%
Rhyzlène Nüsse	Director		DE	1	100%	1	100%
James Moore		Director	US			1	100%
Deborah Carlson		Director	US			1	100%
Alexandra Voss		Director	US			1	100%
Axel Duroux		Director	FR			132 000	100%

Other shareholders

Full name / Company	Nationality	Number of shares at 31/03/2020	Percentage paid up	Number of shares at 31/03/2021	Percentage paid up
Public / Other shareholders	FR	13 583 519	100%	13 433 449	100%
FF Motion Invest	CN	11 428 572	100%	11 428 572	100%
Falcon Strategic Partners IV L.P.	US	0	100%	7 680 230	100%
Lambert Capital BV	NL	2 931 416	100%	271 128	100%
Treasury shares	FR	65 651	100%	83 718	100%

TOTAL	40 977 509	100%	122 102 231	100%
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Mr. Luc Besson (including his holding company Front Line) and the Vine funds entered into a shareholders' agreement on July 28, 2020, constituting an action in concert, which provides, in particular, for rules relating to governance as well as drag-along and tag-along clauses.

Equity and minority interests break down as follows as of March 31, 2021 and 2020:

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Equity - Group share	(17,684)	(196,136)
Issued capital	41,515	13,932
Reserves and earnings brought forward	(59,199)	(210,068)
Non controlling interests	350	293

EuropaCorp's Senior Management aims to maintain a level of consolidated equity, which ensures that:

- a reasonable debt/equity ratio is maintained;
- insofar as possible, a dividend is paid regularly to shareholders.

However, this amount may vary, in particular if investments of strategic interest for the Group emerge (e.g. the acquisition of a film catalog generating high future income) or based on profit or loss.

By debt the Group refers to all financial liabilities, including financial instrument liabilities linked to financial investments and debt, minus cash and cash equivalents, and the associated financial instruments.

3.10.2 Dividends

The Group did not pay any dividend during the 2020/2021 financial year.

3.10.3 Award of free shares

By decision of October 26, 2020, and on the proposal of the Appointments and Remuneration Committee on the same day, the Board of Directors decided to set up a plan for the free allocation of 591,787 shares of EuropaCorp SA for the benefit of the employees and corporate officers of EuropaCorp and its subsidiaries located in France. Similarly, by decision of November 16, 2020, and on the proposal of the Appointments and Remuneration Committee on the same day, the Board of Directors decided to set up a plan for the free allocation of 436,365 EuropaCorp SA shares.

These decisions are part of the authorization granted by the Combined General Meeting of EuropaCorp's shareholders of September 28, 2020, in its 28th resolution, for the purpose of making free share grants to employees or corporate officers of the company and affiliated companies within the meaning of Article L.225-197-2 of the French Commercial Code, up to a limit of 10% of the share capital.

The Board of Directors also decided to set the vesting period at 1 year (this period running from the date of this decision) and the retention period at 1 year (this period running from the end of the vesting period).

Finally, the Board of Directors specified that said shares will only be effectively and definitively acquired by the beneficiaries at the end of the vesting period and that this operation will be carried out by the allocation either of new shares, to be issued within the framework of one or more capital increases, or of existing shares, resulting from repurchases made by the Company within the framework of its share buyback program.

3.11 Provisions for risks and expenses

The changes in the provisions for risks and expenses during the period are detailed below:

(in thousands of euros)	03/31/2020	Accruals	Reversal		Other	03/31/2021
			With use	Without use		
Provisions for expenses	775	117	(775)	-		117
Provisions for risks	1,770	486	(770)	(194)		1,292
Provisions for pensions	362	49		-		411
Provisions	2,907	652	(1,545)	(194)	-	1,819

3.11.1 Provisions for risks

The €652 thousand in provisions for risks and expenses correspond mainly to the provision for a dispute over the Aéroville multiplexes.

The €1,545 thousand in reversal of provisions for risks and expenses corresponds mainly to the reversal of the provision for the closure of the EIG as well as the reversal of the multiplex litigation provision made during the financial year.

As of March 31, 2021, the provisions for risks and expenses mainly related to the following:

- A provision of €0.5 million for litigation between the Company and third parties;
- A provision of €0.1 million for labor disputes;
- A provision of €0.4 million for URSSAF audits.

3.11.2 Provisions for pensions

The change in actuarial liability related to the severance pay provision is summarized below:

Actuarial liability as of 03/31/2020	362
Actuarial liability interest	5
Cost of services provided during the financial year	31
Actuarial gains and losses	13
Benefits paid during the financial year	-
Actuarial liability as of 03/31/2021	411

The provision for pensions as of March 31, 2021 concerns EuropaCorp companies. (€298 thousand) and Digital Factory (€113 thousand).

3.12 Bonds and financial liabilities - Net financial debt

The Company's net debt is as follows:

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Bonds > 1 year		
Deposits and guarantees received	613	493
Other loans and related debt > 1 year	-	-
Production credits	83,862	-
Total Loans Maturing > 1 year	84,475	493
Bonds < 1 year		
Bank loans		
Other loans and related debt < 1 year		375
Production credits	6,008	200,553
Bank loans and overdrafts	93	1,864
Marketable securities	(658)	(678)
Cash and cash equivalents	(46,294)	(50,002)
Net debt	43,625	152,605

Film production is funded in particular with credit facilities allocated specifically to films by the Company (lines of credit, bank overdrafts, other, etc.). It is recalled that in terms of presentation of the consolidated financial statements, the productions of works are presented as assets under "Non-current assets", whereas the financing of said works, given their maturity, is fully presented in "Current liabilities" with the exception of production credits subject to staggering as part of the safeguard plan approved by the Commercial Court of Bobigny on July 24, 2020. These production credits are considered as "Non-current liabilities".

The interest charge included in films takes into account, on the one hand, the financial expenses of the loans taken out to fund specific films during the period and, on the other hand, the interest charged by banks on the overdrafts allocated to the various films, within the overall limit of the Group's actual financial cost during the same financial year.

As debit bank balances relate to the facilities and are not specifically attributable to films, the corresponding interest due does not reduce the borrowing costs included in the films' charges. Thus, they are reported under "Income from financial investments/ (Cost of debt)" in financial income.

The debt amounts included in the net debt table above correspond to the no longer offset individual balances of the Group's various cash and cash equivalents accounts.

The marketable securities held by the Group are open-ended investment companies (SICAV) or money market mutual funds. The target set for these investments is a level of profitability close to the EONIA. Their assets are mainly invested in money and interest rate markets; they are readily available. They are not exposed to a material risk of depreciation. As of March 31, 2021, the marketable securities were composed of UCITS. The accounting date of marketable securities is the value date of the purchase transaction ("settlement date").

To bridge the gap between the timing of investments and the collection of film exploitation receipts under optimum conditions, the Group has a new credit line which will enable future productions to be funded. It has been subscribed by a new generation of Vine funds and certain members of the Vine funds that are already lenders to the Company. This main credit line in the initial amount of \$100 million may be increased to \$125 million and bears annual interest of 8%. It must be repaid after a

period of five years but can be refinanced within the first 18 months on the total amount of commitments with a fee of 2%. As of March 31, 2021, no drawdowns had been made on this line.

It should be noted that previously the Company had a revolving principal credit line arranged by JP Morgan allowing it to raise receivables related to contracts for a maximum amount of approximately \$190 million. It bore interest on the basis of the EURIBOR or LIBOR rate plus a bank margin of 3.25%. As of March 31, 2021, €85.6 million had been drawn against this principal credit line.

As part of the safeguard plan, approved on July 24, 2020 by the Commercial Court of Bobigny, then amended by the validation of the request relating to the Covid-19 epidemic on March 16, 2021, the repayment of the principal credit line is planned over nine years as follows:

Year	1	2	3	4	5	6	7	8	9
% repayment	5.8%	11.8%	10.6%	6.7%	12.4%	12.4%	12.1%	14.6%	13.6%

3.13 Financial instruments

The Group's cash requirements are covered by its operating cash flows, as well as authorized overdrafts, the factoring of sales receivables, and specialized production loans.

The table below compares the book and fair value of all of the Group's financial instruments by category:

(in thousands of euros)	03/31/2021		Breakdown by category of instruments				
	Net book value in statement of financial position	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans and receivables	Debts at amortized cost	Derivative instruments
Non-consolidated equity holdings							
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	-	-
Debt > 1 year	83,862	83,862				83,862	
Debt < 1 year	6,715	6,715	-			6,715	
Derivative instruments - liabilities							
Financial liabilities	90,577	90,577	-	-	-	90,577	-

(in thousands of euros)	03/31/2020		Breakdown by category of instruments				
	Net book value in statement of financial position	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans and receivables	Debts at amortized cost	Derivative instruments
Non-consolidated equity holdings							
Other non-current financial assets	7,995	7,995			7,995		
Other current financial assets	33	33			33		
Derivative instruments - assets							
Cash and cash equivalents	50,680	50,680	50,680				
Financial assets	58,708	58,708	50,680	-	8,028	-	-
Debt > 1 year	493	493			493	-	
Debt < 1 year	202,792	202,792	-			202,792	
Derivative instruments - liabilities							
Financial liabilities	203,285	203,285	-	-	493	202,792	-

Financial assets and liabilities are already measured at their fair value in the accounts.

The revised version of IFRS 7 "Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments" applies to assets and liabilities measured at their fair value and provides for

a 3-level fair value hierarchy:

- Level 1 includes inputs based on prices listed on an active market for identical assets or liabilities;
- Level 2 includes valuations based on directly observable market inputs other than Level 1 inputs;
- Level 3 includes inputs not based on observable market data.

The financial instruments used by EuropaCorp are all level 1.

When carrying out its everyday business, the Group is exposed to interest rate and foreign exchange risks that may impact its net position.

- Interest rate risk:

The Group's exposure to interest rate risk mainly concerns the amount drawn down from revolving credit lines.

The senior credit line bears interest at the LIBOR or EURIBOR rate plus a margin of 3.25%. The margin may be reduced by 25 basis points if the guarantees cover at least 150% of the outstanding credit.

The table below summarizes the maturities of financial assets and liabilities as of March 31, 2021:

(in thousands of euros)	03/31/2021	Maturities		
		< 1 year	1-5 years	> 5 years
Fixed rate financial assets	-			
Variable rate financial assets	46,952	46,952		
Financial assets not exposed	8,961	-	8,351	610
Financial assets	55,912	46,952	8,351	610
Fixed rate financial liabilities	-			
Floating-rate financial assets	90,577	6,786	38,722	45,069
Financial liabilities not exposed	-			
Financial liabilities	90,577	6,786	38,722	45,069

The monitoring of interest rate risk and sensitivity can be summarized as follows: March 31, 2021 (assumption: interest rate increase of 0.5 point):

(in thousands of euros)	Fixed rate	Variable rate	Not exposed	Total
Financial assets		46,952	8,961	55,912
Financial liabilities		90,577	-	90,577
Net equity before hedging	-	(43,625)	8,961	(34,665)
"Hedging"		-		-
Net equity after hedging	-	(43,625)	8,961	(34,665)
Sensitivity	-	(218)		(218)

- Foreign exchange risk:

The Group is exposed to translation risk for the financial statements of subsidiaries whose accounts are denominated in foreign currency and to transaction risk in the event of fluctuations in exchange rates for income generated outside the Eurozone. This risk also stems from production costs in foreign currencies relating to parts of certain films shot outside the Eurozone. If a significant portion of the revenues generated on international markets is in foreign currencies, material production costs may also be expressed in the same currencies. Thus, the Group benefits from natural hedging based on the value of flows in the opposite direction.

The Group may also use financial instruments to hedge the foreign exchange risk on cash flows, notably in relation to US\$/€ fluctuations. Consequently, when the Company settles significant expenses in foreign currencies, it may sign forward currency or currency option contracts with financial institutions as required.

In accordance with IAS 39, the Group chose not to apply hedge accounting; therefore, changes in the fair value of purchase transactions and forward sales in foreign currencies completed by EuropaCorp are accounted for under financial income. The fair value of these instruments, reported in assets or liabilities in the consolidated statement of financial position under “Other receivables” or “Other financial liabilities” is calculated based on their market value measured in accordance with the closing exchange rates.

As of March 31, 2021, the Company did not have any hedging instruments measured at fair value.

- Liquidity risk:

The liquidity risk EuropaCorp is exposed to concerns the production and distribution of cinematographic works. Indeed, generally several months separate the investments required for the production and promotion of a film, on the one hand, and the collection of operating revenues, on the other. This time lag may require the use of bank financing. Although EuropaCorp is committed to limit its financial exposure as far upstream as possible with a presale policy of distribution rights abroad and of the TV broadcasting rights for the films it produces, EuropaCorp cannot guarantee that it will always be able to implement this policy or that this will eliminate all of the liquidity risk.

In order to cope under the best conditions with the time lag between investments and the collection of film exploitation revenues, EuropaCorp had a main revolving credit facility enabling it in particular to mobilize receivables linked to contracts for a maximum total amount equivalent to \$190 million.

As of March 31, 2021, €85.6 million had been drawn against this principal credit line.

This principal line of credit was to be repaid at the end of a 5-year period, i.e. no later than October 21, 2019. Within the framework of the safeguard plan, approved on July 24, 2020 by the Commercial Court of Bobigny, the repayment of this credit line was scheduled over seven years as follows:

Year	1	2	3	4	5	6	7
% repayment	34.0%	11.8%	10.6%	6.7%	12.4%	12.4%	12.1%

As announced on March 16, 2021, following the Covid-19 epidemic and its impact on the Group's production restart, a request was made to the Bobigny Commercial Court to extend the duration of EuropaCorp S.A.'s safeguard plan by an additional two years. The request was approved and the total duration of the safeguard plan has thus been extended from seven to nine years from July 24, 2020, implying a new repayment schedule:

Year	1	2	3	4	5	6	7	8	9
% repayment	5.8%	11.8%	10.6%	6.7%	12.4%	12.4%	12.1%	14.6%	13.6%

As a reminder, the Group is not experiencing any short-term cash flow pressure at this stage and already has several film projects ready to go into production.

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

This new production revolving credit facility enables the Company to raise credit related to contracts of a maximum of \$100 million which can, by mutual agreement, be increased by \$25 million. The bulk of this credit comes directly or indirectly from a new generation of Vine funds (Funds IV), which are separate from the Vine funds that are current shareholders. The remainder of the credit may be awarded by some of the Vine funds.

The purpose of this credit is to pay the costs associated with producing and funding films, financing fees and interest and any working capital requirements. This new line of financing has a term of five years from the signing date and bears interest at 8% per year (for further details, refer to the section entitled “Material contracts” of this Universal Registration Document).

- Credit risk:

The more significant debts concern the International Sales and TV Sales France businesses.

The credit risk for TV Sales France is deemed low taking into account the size of the broadcasters and the history and good relationships with them.

For international sales, the Group’s policy is to choose, in each country where its films are distributed, preferred partners with whom it has worked on several occasions in the past, while still seeking to diversify its potential partners, particularly through regular contact with various foreign players at film markets such as Cannes (Marché du Film), Los Angeles (American Film Market) or Berlin (European Film Market).

Given that the credit risk is considered low, the EuropaCorp Group has not considered it necessary so far to arrange credit insurance.

The table below shows the overall credit risk, broken down in large asset categories as of March 31, 2021:

<i>(in thousands of euros)</i>	03/31/2021
Trade receivables	22,949
Marketable securities	-
Other receivables exposed to credit risk	-
Total	22,949

- Equity risk:

EuropaCorp generally invests its available cash in money market products in euros or secure products (certificates of deposit, commercial paper, term accounts, etc.). Consequently, the Company believes it is not exposed to equity risk as of March 31, 2021.

In addition, as of March 31, 2021, EuropaCorp held 83,718 treasury shares with a value of €58 thousand.

<i>(in thousands of euros)</i>	Other companies’ or UCITS shares portfolio	Treasury shares portfolio
Assets position	None	58
Off-balance sheet	None	-
Overall assets position	None	58

3.14 Trade payables and other current liabilities

Breakdown of other current liabilities by type

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Trade payables	30,614	51,594
Equity investment liabilities	-	-
Advances and down-payments on orders	1,084	1,451
Taxes and social security contributions payable	5,556	11,903
Miscellaneous liabilities	2,948	82,810
Total other financial liabilities	9,588	96,164
Total operating liabilities	40,202	147,757

The decrease in trade payables as of March 31, 2021 is mainly due to the settlement of frozen liabilities by the safeguarding of certain subsidiaries, the payment of fees related to the restructuring provisioned as of March 31, 2020, and the elimination of certain debts not recognized as a safeguard liability.

Miscellaneous debts as of March 31, 2021 consist mainly of accrued liabilities consisting of repayments due to third parties and costs incurred for ongoing productions.

The change compared to the previous financial year mainly corresponds to the capitalization of the *Participation Deal* recognized as miscellaneous debts as of March 31, 2020 and converted into share capital on July 28, 2020 with the Participation Deal capital increase reserved for the benefit of the Vine funds and Falcon for approximately €77 million through the issue of 20,757,379 new shares.

Taxes and social security contributions primarily comprise collected VAT and expenses payable for miscellaneous taxes and social security contributions.

All current liabilities have a maturity of less than one year.

The maturity of trade payables as of March 31, 2021 breaks down as follows:

Trade payables <i>(in thousands of euros)</i>	03/31/2021	Owing	Not yet due (< 1 year)	Not yet due (> 1 year)
Total EuropaCorp Group	30,614	1,897	28,716	-

3.15 Other assets and liabilities (current and non-current) and Equity investment liabilities

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

Other current assets mainly pertain to prepaid expenses amounting to €1.4 million as of March 31, 2021 for expenses undertaken for productions not yet commercially exploited.

Other current liabilities comprise deferred income and contract liabilities corresponding to billed revenues reported as revenue based on an event that had not occurred at the end of the financial year. Deferred income and contract liabilities are classified as non-current liabilities when the maturity for revenue recognition is beyond one year. The portion of deferred income maturing under one year is equal to €10.5 million as of March 31, 2021.

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

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Subsidies	-	-
Other deferred income	204	551
Total deferred income	204	551
TV rights items	9,613	12,302
Undelivered international sales	942	3,097
Total contract liabilities	10,555	15,399
Total other	4,687	2,997
Total other current and non-current liabilities	15,445	18,947

3.15.2 Other non-current liabilities

Maturities of other non-current liabilities and equity investment liabilities

<i>(in thousands of euros)</i>	03/31/2021	1-5 years	> 5 years
Contract liabilities	300	300	
Other	4,687	3,765	922
Total other non-current liabilities	4,987	4,065	922

3.15.3 Change in contract assets and liabilities

The changes in contract assets and liabilities are detailed in the table below:

<i>(in thousands of euros)</i>	CONTRACT ASSETS	CONTRACT LIABILITIES
Position at the start of the financial year	8,661	15,399
Income recognized during the financial year included in contract liabilities at the beginning of the financial year	-	-
Cash from unrecognized income for the financial year	-	10,555
Impairment of contract assets	-	-
Reclassification of contract assets as trade receivables	-	-
Reclassification between contract assets and contract liabilities	-	-
Progress or change in contracts	-	-
Change in scope	-	-
Other	7,842	-
Position at the end of the financial year	7,842	10,555

3.16 Leases

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Right-of-use of leased assets	7,830	11,277
Lease liabilities > 1 year	(7,819)	(12,801)
Lease liabilities < 1 year	(2,628)	(2,458)
Total lease liabilities	(10,446)	(15,259)

The Group has applied IFRS 16 since April 1, 2019. Under it all leases are recognized on the statement of financial position of lessees: a right-of-use is recognized as an asset and a lease debt as a liability. On the profit and loss statement, the lessee records an amortization and interest expense. The standard removes the distinction between operating leases and finance leases.

The right-of-use and the lease liability are recognized at the start date of the lease, the date on which the lessor makes the underlying asset available to the lessee. Their initial value is equal to the present value of the rents over the term of the contract, and, where applicable, of the benefits received from the lessor. A single discount rate of 8% has been applied across all entities, corresponding to the rate in force for the main outstanding credit lines.

Right-of-use assets are amortized on a straight-line basis over the term of the lease.

The Group has applied the exemptions set out in the standard relating to leases for a term of 12 months or less or the value of which is under \$5 thousand.

As such, only property leases will be restated under the standard.

NOTE 4 - NOTES TO THE CONSOLIDATED PROFIT AND LOSS STATEMENT

4.1 Revenue

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Production	37,647	49,801
Distribution	582	9,074
Video	1,330	4,934
Events	-	442
Miscellaneous	1,933	5,515
Revenue	41,492	69,767
<i>Of which support funding generated (including Cosip)</i>	-	1,117
<i>Of which revenue from exports</i>	15,231	21,677

Net revenue totaled €41.5 million for the 2020/2021 financial year compared to €69.8 million for the previous year, i.e. a decrease of 41%.

“Production” revenue:

Revenue from Television & SVOD sales in France and the United States stood at €19.0 million, or 46% of total revenue, versus €27.3 million for last financial year. These are driven by the French market and correspond to the release schedule for catalog films. In the 2020/2021 financial year, two windows of rights for a unit amount of more than €1 million were opened (*Taxi 5* and *Anna*) compared to four in the previous year.

International sales stand at €12.1 million for the financial year, or approximately 29% of total revenue, versus €14.8 million for the previous year. They comprised mainly of significant overages collected on films from the catalog (mainly *Lucy* and the *Taken* trilogy), as well as the last deliveries of the films *Kursk* and *Renegades* in China.

The Group notes that royalties from English-language films were recognized as revenue based on the latest statements received.

Revenue from TV Series production was €5.6 million for FY 2020/2021, or 14% of total revenue, against €6.0 million for FY 2019/2020. This revenue corresponds to the international exploitation of the series *Taken* (royalties).

Revenues linked to the corresponding rights (partnerships, licenses, etc.) stand at €0.4 million on March 31, 2021, versus €0.6 million on March 31, 2020.

Revenue from “Production” also includes revenue from post-production activities (€0.6 million) and coproduction revenue (*Nous finirons ensemble* (*Little White Lies 2*)).

“Distribution” revenue:

Revenue from Theatrical distribution in France was €0.6 million for the 2020/2021 financial year, or around 1% of total revenue, against €8.7 million in 2019/2020. This revenue corresponds to the last receipts received for the exploitation in French theaters of *Nous finirons ensemble* (*Little White Lies 2*).

“Video” revenue:

Revenue from Video & VOD in France and the United States represented around 3% of the annual revenue, coming in at €1.3 million, versus €4.9 million in FY 2019/2020. This turnover included video and VOD sales realized in the United States, in particular for *Valerian and the City of a Thousand Planets*, and in France for *Little White Lies 2 (Nous finirons ensemble)* and *Taxi 5* (though less significant than during the previous financial year).

4.2 Operating margin

The consolidated operating margin, mainly consisting of catalog operations, amounted to €18.9 million compared to €21.4 million in the previous financial year, a decrease of €2.5 million linked to the decrease in revenue. The decrease in the cost of sales linked to the high proportion of the catalog in the revenues for the year (lower amortization) enabled the margin rate to increase from 31% to 46%.

4.3 Overheads

The general and administrative expenses amounted to €15.7 million compared to €16.2 million for the previous financial year, i.e. a saving of €0.6 million compared to the previous year (-3%). This development confirms the effectiveness of the measures introduced by the Group to reduce its general and administrative expenses which have decreased by a total of €37.3 million over the last four financial years.

4.4 Other operating income and expense

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Debt profit-sharing agreement		(40,995)
Provision for subsidy receivable amortization	(1,129)	(9,316)
Other	1,528	(14,023)
Other operating income and expense	398	(64,334)

Other operating income and expense primarily comprise the impairment of assets recognized by the Company during the financial year as well as restructuring costs.

On March 31, 2021, they were offset by non-recurring income on receivables not recognized by the Company as part of the validation of the safeguard plan.

4.5 Financial income

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Net debt financial income	(4,306)	(18,465)
Other financial income and expenses	3,542	(8,114)
Net gain from debt restructuring	134,921	
Financial income	134,156	(26,580)

The financial result for the period amounted to €134.2 million, compared to €(26.6) million during the previous financial year, and notably includes a “technical” profit related to the two consecutive capital increases following the restructuring of the debt in July 2020 for €134.9 million. This is the application of IFRIC 19, which reflects in the consolidated income statement the difference between

the book value of the converted debt and the fair value of the shares issued.

Excluding this “technical” profit, the financial result amounted to €(0.8) million, an improvement of nearly €26 million which is explained for €14 million by the capitalization of the secondary debt in July 2020 and the subsequent saving in interest expenses, and for €9 million by a positive foreign exchange result (+€5 million compared to -€4 million during the previous financial year).

It includes the interest charges relating to the lease liability following the application of IFRS 16 for €(1.1) million and, for €(0.2) million, the share of banking commissions for the establishment of the credit lines, which are spread out over the maturity of said loans.

4.6 Tax

Breakdown of tax by type:

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Current tax	(14)	50
Deferred tax	(14,580)	(8,585)
Total tax income/(expense)	(14,594)	(8,535)

The deferred tax expense for the financial year mainly corresponds to the reversal of temporary differences on the amortization of films.

4.7 Payroll costs

The following table shows the Company’s total payroll costs before recognition of part of these expenses in the cost of films.

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Average permanent workforce	41	45
Payroll costs (including temporary personnel)	(6,844)	(6,374)
Salaries	(4,264)	(4,241)
Profit sharing	-	-
Social security contributions	(2,243)	(2,172)
Stock options and similar expenses	(293)	
Retirement benefit commitments	(44)	39
Post-employment benefits		

The slight increase in personnel costs (+7%) is mainly due to the arrival of the Group’s new management in the middle of the financial year (Chief Executive Officer and Secretary General).

NOTE 5 - OTHER INFORMATION

5.1 Notes on the statement of cash flows

The presentation of components of cash and cash equivalents is covered in Note 2.12. Bank loans and overdrafts are not included in components of cash and cash equivalents. Details of this item are given in Note 3.12.

- *Cash flows from operations*

The net cash flows from operating activities decreased to €2,877 thousand on March 31, 2021, compared to €30,872 thousand on March 31, 2020.

This decrease of €27,995 thousand is explained in particular by:

- (i) Higher cash inflows from operations in the previous financial year (receipts from the theatrical distribution of the film *Nous finirons ensemble* (*Little White Lies* 2) as well as higher international and TV sales);
- (ii) The payment of significant fees at the end of the safeguard procedure in July 2020.

- *Cash flows from investments*

As of March 31, 2021, net investment cash flows stood at €1,593 thousand versus €150 thousand for the financial year ended on March 31, 2020.

This low amount is due to the absence of “Acquisition of intangible assets” in the last two financial years. As a result of the financial restructuring and the Covid-19 epidemic, the Group has had to delay the start of production of new projects. The health conditions following the end of the safeguard procedure have significantly complicated the organization of production, especially for English-language films with an international footprint. No investment in production was made during the financial year (€(495) thousand compared to €205 thousand during the previous year).

They correspond mainly, as of March 31, 2021, to the sale by Digital Factory of its assets held on the site in Normandy, which resulted in a positive flow of €1.5 million.

- *Cash flows from financing*

As of March 31, 2021, net cash flows from financing activities stood at €(4,747) thousand, versus €(4,143) thousand as of March 31, 2020. This amount includes, in particular, the repayment of rental debts totaling €(3,003) thousand following the application of IFRS 16, versus €(7,475) thousand during the previous financial year.

5.2 Relations with related parties

The table below summarizes the flows and balances of related-party transactions.

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Statement of financial position		
Receivables		
Trade receivables and other operating receivables	888	622
Debit balances and other current financial receivables	-	-
Debt	-	-
Other non-current financial liabilities	-	20
Trade payables and other operating liabilities	7	76
Financial current accounts receivables	-	-
	-	-
Profit and loss statement		
Revenue	311	965
Operating expenses	(78)	602
Financial expenses	-	-
Financial income	-	-

As part of the establishment of SCI Les Studios de Paris, EuropaCorp signed a shareholders' agreement with the other partners (including Front Line) governing the terms of their stakes within these companies. The total amount of the Company's commitments may not exceed €6 million.

5.3 Commitments and contingent liabilities

The Group's off-balance sheet commitments as of March 31, 2021 were as follows (in thousands of euros):

Commitments received by EuropaCorp(in thousands of euros)	03/31/2021	03/31/2020
Commitments received from clients		
<i>For the cinematographic business</i>	2,240	2,963
<i>Support funds for audiovisual activities</i>	2,105	2,105
Financial commitments for leases*	4,754	6,339
Total commitments received	9,099	11,407

* Relates to the sub-lease agreements for the La Cité du Cinéma business park.

Commitments made to third parties (in thousands of euros)	03/31/2021	03/31/2020
Financial commitments for leases**	0	0
Vine Participation	0	0
Financial commitments for cinematographic investments	0	0
Total commitments made	0	0

** Relates to the lease agreement for the La Cité du Cinéma business park, with a term of 12 years starting on April 6, 2012.

Total net commitments (received - made)	9,099	11,407
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To EuropaCorp's knowledge, to this date there are no litigation or arbitration proceedings that may significantly affect in the foreseeable future or have significantly affected in the recent past

EuropaCorp's financial position, profit or assets.

EuropaCorp also entered into a collateral pledging agreement in favor of the pool of lending banks and covering the stakes it holds in property investment company Les Studios de Paris as security for the commitments of the latter stemming from a property leasing contract with a net down payment of €18 million.

List of security interests granted to JP Morgan Chase Bank NA in connection with the principal line of credit entered into on October 21, 2014

As collateral for this line of credit entered into with JP Morgan on October 21, 2014, EuropaCorp and certain of its subsidiaries (Blue Advertainment, Digital Factory, EuropaCorp Distribution, EuropaCorp Home Entertainment, and Ydéo) have granted first-line guarantees on all of their assets.

On October 21, 2014, EuropaCorp arranged, for the benefit of the lenders, first-line personal guarantees for the commitments of EuropaCorp Films USA, Inc. in respect of the credit lines, and, as security for these personal guarantees:

- *first-line on-demand standalone guarantees;*
- *first-line pledges of securities accounts relating to shares of the following subsidiaries:*
 - o *EuropaCorp Home Entertainment SAS,*
 - o *EuropaCorp Distribution SAS,*
 - o *Intervista SAS,*
 - o *Dog Productions SAS,*
 - o *Ydéo SAS,*
 - o *Blue Advertainment SAS,*
 - o *EuropaCorp Films USA, Inc. (pledge under US law),*
 - o *EuropaCorp Aéroville SAS,*
 - o *EuropaCorp Television SAS;*
- *first-line pledges of shares of the company Pass Pass La Cam SARL;*
- *first-line pledges of all of its existing or future bank accounts;*
- *first-line pledges of claims on any type of intercompany loan or advance;*
- *first-line cinematographic pledges on the tangible and intangible rights of the cinematographic films in its catalog of the first-line cinematographic revenue delegations on the revenues generated by the films in its catalog;*
- *first-line pledges of the physical elements of films stored at laboratories outside France;*
- *first-line pledges of all of its proprietary trademarks;*
- *first-line assignments of insurance covering all insurance policies except for error and omissions and third-party liability policies;*
- *first-line pledges of its business;*
- *first-line pledgeholder agreements under US law with the laboratory Éclair;*
- *first-line pledgeholder agreements under US law with the laboratory Digital Factory.*

On October 22, 2014, Blue Advertainment, Digital Factory, EuropaCorp Distribution, EuropaCorp Home Entertainment and Ydéo also arranged, for the benefit of the lenders, first-line personal guarantees for the commitments of EuropaCorp Films USA, Inc. in respect of the credit lines, and, as security for this personal guarantee:

- *first-line on-demand standalone guarantees;*
- *first-line pledges of their businesses;*
- *first-line pledges of all of its existing or future bank accounts;*
- *where applicable, first-line pledges of securities accounts relating to shares in the equity interests they hold;*
- *where applicable, first-line film pledges concerning the tangible and intangible rights to the films in their catalog;*
- *where applicable, first-line assignments of film revenue concerning revenue generated by the films in their catalog;*

- where applicable, assignments of SACEM revenue.

As regards the feature film “*Valerian and the City of a Thousand Planets*”, financed by the banking pool outside the revolving credit line, on January 19, 2018, the subsidiaries Valerian Holding SAS and Valerian SAS granted:

- where applicable, a first-line pledge of securities accounts relating to shares in the equity interests they hold;
- where applicable, first-line pledges of all of their existing or future bank accounts;
- where applicable, first-line film pledges concerning the tangible and intangible rights to the film “*Valerian and the City of a Thousand Planets*”;
- where applicable, first-line assignments of film revenue concerning revenue generated by the film “*Valerian and the City of a Thousand Planets*”.

List of security interests granted to Comerica Bank in connection with the conclusion of a credit line on July 30, 2020

As security for a line of credit entered into with Comerica Bank on July 30, 2020 under a Credit, Security, Guaranty and Pledge Agreement between EuropaCorp Pictures LLC, as Borrower, EuropaCorp Finance LLC, as Parent, Vine Film Renaissance LLC, as Lender, and Comerica Bank, as Administrative Agent, EuropaCorp SA has entered into a Pledge Agreement, as French Parent, with Comerica Bank, as Administrative Agent, in which EuropaCorp SA has granted a first-line pledge of all of EuropaCorp Finance LLC’s securities.

Commitments from leases

- Film sets

Since August 2009, EuropaCorp has partnered with EuroMediaGroup, Quinta Communications and Front Line in the property investment company SCI Les Studios de Paris, through a property lease signed with a pool of leasing companies for a group of nine studios at the La Cité du Cinéma site ranging in size from 600 to 2,200 square meters each, sold by EuropaCorp Studios. EuropaCorp is a 40% shareholder of SCI Les Studios de Paris, studios with a construction cost of €30.2 million excluding taxes. In addition to investments in the Company’s share capital, current account funds were provided, in particular to finance the construction of the studios. As of March 31, 2021, capital investments and contributions to associates’ current accounts totaled €10.6 million.

EuropaCorp has also agreed for the benefit of the pool of lending banks to pledge the 300,000 shares it holds in the capital of the SCI as collateral for the SCI’s commitments under the real estate lease in the amount of €18,000,000. In addition, EuropaCorp has granted, for the benefit of the pool of lending banks, a lock-up commitment pursuant to which it has agreed, during the term of the lease, not to sell without the consent of the pool of lending banks the shares it holds in SCI Les Studios de Paris.

- Commercial lease for the premises of La Cité du Cinéma

On May 18, 2009, the Company signed an off-plan commercial lease agreement with EuropaCorp Studios for an office complex (also comprising screening and reception areas, service rooms and parking spaces) to be built on the La Cité du Cinéma site in Saint-Denis and delivered in 2012 (the “Lease Agreement”). The Lease Agreement was concluded for a period of 12 years from the delivery of the leased premises for a rent of around €6.4 million annually, which was to be discounted until the lease took effect at 85% on the BT01 index.

The Lease Agreement was transferred to La Nef Lumière, acquirer of the offices as lessor upon their delivery, which took place on April 6, 2012. Including the discount, the annual rent as of April 6, 2019 was €6.8 million, excluding charges and common areas.

Under the terms of the Lease Agreement, the Company is expressly authorized to sublet all or part of the premises that it is renting.

Following various meetings, particularly on October 2 and December 13, 2019, under the aegis of the Court-Appointed Administrators and the Interministerial Committee on Industrial Restructuring, the Company and its lessor, La Nef Lumière, finalized an economic agreement. This agreement was formalized in a memorandum of understanding finalized on December 17, 2019, the signature of which was authorized by the bankruptcy judge given its transactional nature. This general agreement is based on the reduction of the rented space at La Cité du Cinéma (around 5,200 m² instead of 18,000 m²), the payment of rent arrears on La Cité du Cinéma predating the opening judgment within a month of the Plan being approved, the payment over seven years of a termination penalty equal to one year's rent, excluding charges, proportionally to the vacated area, i.e. around €5.6 million and the introduction of a best fortune clause in favor of the lessor, La Nef Lumière. The amendment to the lease was signed on January 28, 2021 with retroactive effect from the October 1, 2019. Including the discount, the annual rent as of April 6, 2021 was €1.8 million, excluding charges.

5.4 Remuneration of main senior executives

The table below summarizes the remuneration paid by the Group to its main senior executives during the last two financial years.

<i>(in thousands of euros)</i>	03/31/2021	03/31/2020
Short-term benefits	2,950	3,055
Termination benefits		
Post-employment benefits		
Other long-term benefits		
Share-based payment		

A €200 thousand provision was also made for the remuneration of directors during the financial year ended on March 31, 2021.

5.5 Subsequent events

No subsequent events.

5.6 Additional information

Fees of the Statutory Auditors for EuropaCorp and its subsidiaries for the financial years ended on March 31, 2020 ("N-1") and on March 31, 2021 ("N") in thousands of euros:

(In thousands of euros)	ACA/Réseau Nexia				ACOFEX/Premier Monde			
	Amount (excl. tax)		%		Amount (excl. tax)		%	
	N	N-1	N	N-1	N	N-1	N	N-1
Audit								
Statutory audit, certification, review of separate and consolidated financial statements			92%	66%			94%	98%
- EuropaCorp	150	162	68%	52%	120	132	77%	60%
- Fully consolidated subsidiaries	52	44	24%	14%	26	83	17%	38%
Other procedures and services directly related to the Statutory Auditor's mission			8%	34%			6%	2%
- EuropaCorp	18	103	8%	33%	10	2	6%	1%
- Fully consolidated subsidiaries	0	4	0%	1%	0	2	0	1%
TOTAL	220	313			156	219		

NOTE 6 – OPERATING SEGMENTS AND DATA BY SEGMENT

6.1 Overview of the standard

6.1.1 General context

Under IFRS 8, the Group must disclose information “to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates”.

As a consequence, the Group defined its operating segments in compliance with the standard’s criteria to present separate information by segment.

6.1.2 Definition of operating segments

An operating segment is a component of the company:

- carrying out activities likely to generate income and expenses;
- whose operating profit (loss) is regularly reviewed by the main operational decision-maker in the entity to make decisions in relation to the resources to be allocated to the segment and assess its performance;
- for which separate financial information is available.

As such and taking into account the approach set out by IFRS 8, operating segments have been identified based on internal reporting.

6.2 Identification of the EuropaCorp Group’s operating segments

The Group tracks its performance by monitoring its activities and businesses.

Following the acquisition of the Blue Group, the EuropaCorp Group now operates in four different areas constituting as many “operating segments” under IFRS 8, detailed below:

- Production and Distribution of films: This segment includes all operations involving films, i.e. distribution to theaters, video release, TV sales, international sales, licensing and partnerships, line production, income from coproduction, etc.;
- Production and Distribution of TV films and series: This segment covers all operations for TV films and series carried out by subsidiaries of EuropaCorp Television, fully owned since July 30, 2014 by EuropaCorp and EuropaCorp TV. This segment’s duration of production cycles, funding means and the elements generating the margin are different from the segment “Production and Distribution of films”, which justifies the existence of a separate operating segment.
- Events: This segment comprises all operations to run events inside or outside La Cité du Cinéma and corresponds to the activities of Blue Event, fully consolidated since February 28, 2013 following the capital increase through contribution in kind;
- Other: This segment includes all related activities not directly connected to the screening of films in theaters or their broadcasting on TV, i.e. book publishing, advertising revenue, music publishing revenue, miscellaneous revenue, etc.

6.3 Financial information by operating segment

The measurement and presentation method for the figures relating to each operating segment is compliant with the accounting policies and methods described for the preparation of consolidated financial statements.

6.3.1 Consolidated statement of financial position by operating segment

03.31.2021	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	0
Net intangible assets	0	0	0	0	0	39 685
Property, Plant and Equipment (net)	-7 830	0	0	0	0	3 445
Other financial assets (net)	0	0	0	0	0	8 961
Investments in associates	0	0	0	0	0	0
Deferred tax assets	502	0	0	0	0	502
Other non-current assets (net)	7 830	0	0	0	0	7 830
Total non-current assets	502	0	0	0	0	60 423
Inventory	0	0	0	0	0	192
Net trade receivables	0	0	0	0	0	22 949
Other net receivables	-3 331	0	0	0	0	7 558
Other net current assets	0	0	0	0	0	2 691
Cash and cash equivalent	0	0	0	0	0	46 952
Total current assets	-3 331	0	0	0	0	80 343
TOTAL ASSETS	-2 829	0	0	0	0	140 765
<i>Equity - Group share</i>					-17 684	-17 684
<i>Non-controlling interests</i>					350	350
Provisions for pensions and other post-employment benefit	0	0	0	0	0	411
Deferred tax liabilities	334	0	0	0	0	334
Lease liability > 1 year	7 819	0	0	0	0	7 819
Bonds and financial liabilities > 1 year	83 862	0	0	0	0	83 862
Deposits and guarantees received	-10 446	0	0	0	0	613
Equity investment liabilities > 1 year	0	0	0	0	0	0
Other non-current liabilities	-7 180	0	0	0	0	4 987
Total non-current liabilities	74 388	0	0	0	0	98 025
Bonds and financial liabilities < 1 year	-83 862	0	0	0	0	6 102
Lease liability < 1 year	2 628	0	0	0	0	2 628
Provisions for risks and expenses	684	0	0	0	0	684
Trade payables	-3 963	0	0	0	0	30 614
Equity investment liabilities < 1 year	0	0	0	0	0	0
Other financial liabilities	0	0	0	0	0	9 588
Other current liabilities	10 458	0	0	0	0	10 458
Total current liabilities	-74 054	0	0	0	0	60 074
TOTAL LIABILITIES	334	0	0	0	0	140 765
Films and audiovisual rights investments	495					495

03.31.2020	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	0
Net intangible assets	45,802	6,660	0	0	0	52,461
Property, Plant and Equipment (net)	5,232	0	3	5	0	5,239
Other financial assets (net)	7,634	361	0	0	0	7,995
Investments in associates	0	0	0	0	0	0
Deferred tax assets	15,224	30	32	5	0	15,292
Other non-current assets (net)	11,277	0	0	0	0	11,277
Total non-current assets	85,169	7,051	35	10	0	92,264
Inventory	233	0	0	0	0	233
Net trade receivables	26,695	1,051	213	16	0	27,975
Other net receivables	18,213	1,753	102	1,381	0	21,449
Other net current assets	393	0	1	0	0	395
Cash and cash equivalent	41,356	8,800	334	190	0	50,680
Total current assets	86,890	11,604	650	1,587	0	100,731
TOTAL ASSETS	172,059	18,655	685	1,597	0	192,995
<i>Equity - Group share</i>	0	0	0	0	-196,136	-196,136
<i>Non-controlling interests</i>					293	293
Provisions for pensions and other post-employment benefit	362	0	0	0	0	362
Deferred tax liabilities	82	1,238	0	64	0	1,383
Lease liability > 1 year	12,801	0	0	0	0	12,801
Bonds and financial liabilities > 1 year	0	0	0	0	0	0
Deposits and guarantees received	493	0	0	0	0	493
Equity investment liabilities > 1 year	0	0	0	0	0	0
Other non-current liabilities	7,453	80	0	2,312	0	9,845
Total non-current liabilities	21,190	1,318	0	2,375	0	24,883
Bonds and financial liabilities < 1 year	202,785	6	0	0	0	202,792
Lease liability < 1 year	2,458	0	0	0	0	2,458
Provisions for risks and expenses	1,790	0	0	55	0	1,845
Trade payables	45,971	1,901	139	3,583	0	51,594
Equity investment liabilities < 1 year	0	0	0	0	0	0
Other financial liabilities	92,522	3,487	57	98	0	96,164
Other current liabilities	9,102	0	0	0	0	9,102
Total current liabilities	354,628	5,393	196	3,737	0	363,953
TOTAL LIABILITIES	375,818	6,711	196	6,112	-195,843	192,995
Films and audiovisual rights investments	-205	0	0	0	0	-205

6.3.2 Consolidated profit and loss statement by operating segment

03/31/2021	Production and distribution of films	Production and distribution of TV films and series	Events	Other	Total
Revenue	33,831	5,648	(25)	2,040	41,492
Cost of sales	(19,302)	(3,476)	5	225	(22,548)
Operating margin	14,529	2,172	(21)	2,264	18,944
General and administrative expenses	(12,760)	0	(147)	(2,757)	(15,665)
Other operating income and expenses	398	0	0	0	398
Operating profit (loss)	2,167	2,172	(168)	(493)	3,678
Financial income	134,156	0	0	0	134,156
Income tax	(14,594)	0	0	0	(14,594)
Share of net income of associates	0	0	0	(576)	(576)
Share of non-controlling interests	0	67	(9)	0	59
Net income - Group share	121,729	2,104	(159)	(1,069)	122,606

03/31/2020	Production and distribution of films	Production and distribution of TV films and series	Events	Other	Total
Revenue	29,973	24,364	126	15,304	69,767
Cost of sales	(23,188)	(19,681)	(54)	(5,400)	(48,322)
Operating margin	6,785	4,683	71	9,904	21,444
General and administrative expenses	14,051	(391)	(34)	(29,846)	(16,219)
Other operating income and expenses	(64,334)	0	0	0	(64,334)
Operating profit (loss)	(43,498)	4,293	38	(19,941)	(59,109)
Financial income	(26,580)	0	0	0	(26,580)
Income tax	(5,242)	(2)	14	(3,305)	(8,535)
Share of net income of associates	0	0	0	(827)	(827)
Share of non-controlling interests	0	0	(2)	0	(2)
Net income - Group share	(75,319)	4,291	53	(24,074)	(95,049)

The following table shows the distribution percentages by country for international sales of EuropaCorp Group films and series for the 2017/2018, 2018/2019, 2019/2020 and 2020/2021 financial years.

Country	FY 2017/2018	FY 2019/2020	FY 2019/2020	FY 2020/2021
North America	12.05%	72.11%	60.75%	46.80%
Western Europe	40.24%	13.30%	16.53%	24.00%
<i>Spain and Italy</i>	6.69%	1.87%	2.89%	1.66%
<i>Germany</i>	13.50%	2.11%	1.13%	2.44%
<i>Switzerland, Belgium</i>	3.98%	4.78%	5.28%	0.00%
<i>United Kingdom</i>	12.51%	0.01%	1.54%	0.30%
Central and Eastern Europe	8.73%	2.59%	6.57%	3.28%
Asia	19.75%	7.20%	6.27%	23.41%
Rest of the world	19.22%	4.80%	9.89%	2.51%
Total	100.00%	100.00%	100.00%	100.00%

APPENDIX 2 - ANNUAL FINANCIAL STATEMENTS AS OF MARCH 31, 2021

BALANCE SHEET - ASSETS

<i>Items</i>	<i>Gross amount</i>	<i>Depreciation provisions</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
INTANGIBLE ASSETS				
Intangible assets	1,290,671,812	1,266,271,482	24,400,330	30,264,244
Other intangible assets	739,392	739,392		1,614
Intangible assets in progress	15,837,820	15,243,859	593,961	933,125
PROPERTY, PLANT AND EQUIPMENT				
Plant, machinery and equipment	158,582	158,582		
Other property, plant and equipment	789,917	627,165	162,752	91,821
FINANCIAL ASSETS				
Equity interests	297,358,087	276,230,331	21,127,756	38,338,360
Loans	610,000		610,000	610,000
Other financial assets	7,046,272		7,046,272	5,985,212
NON-CURRENT ASSETS	1,613,211,881	1,559,270,810	53,941,071	76,224,375
INVENTORY AND WORK IN PROGRESS				
Work in progress - goods				
Goods	100,615	100,615		
Advances and down-payments to suppliers				
RECEIVABLES				
Trade receivables	24,831,210	4,636,125	20,195,085	37,234,879
Other receivables	57,604,875	42,792,176	14,812,699	37,897,451
MISCELLANEOUS				
Marketable securities	657,620		657,620	678,105
Cash and cash equivalents	26,251,486		26,251,486	22,380,008
ACCRUALS				
Prepaid expenses	187,876		187,876	176,303
CURRENT ASSETS	109,633,682	47,528,916	62,104,767	98,366,746
Currency translation assets	310,737		310,737	9,605,340
OVERALL TOTAL	1,723,156,300	1,606,799,726	116,356,574	184,196,461

STATEMENT OF FINANCIAL POSITION – LIABILITIES

<i>Items</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Share capital (of which paid up: 41,514,759)	41,514,759	13,932,353
Additional paid-in capital	270,339,301	106,970,772
Legal reserve	1,004,665	1,004,665
Regulated reserves (including forex reserve)	180,545	180,545
Retained earnings/losses	(397,885,498)	(188,828,938)
NET INCOME FOR THE PERIOD (profit or loss)	10,785,094	(209,056,560)
Investment subsidies		360,420
Regulated provisions	21,617,920	23,936,505
EQUITY	(52,443,213)	(251,500,238)
OTHER EQUITY		
Provisions for risks	1,335,973	11,663,052
Provisions for expenses	1,023,007	6,994,029
PROVISIONS	2,358,980	18,657,081
DEBT		
Loans and liabilities from financial institutions	4,313,337	1,847,772
Miscellaneous borrowings and financial liabilities (including participating loans)	36,151,114	81,427,622
OPERATING LIABILITIES		
Trade and other accounts payable	31,884,755	40,231,431
Taxes and social security contributions payable	4,157,611	7,047,361
MISCELLANEOUS LIABILITIES		
Other financial liabilities	87,967,557	277,696,952
ACCRUALS		
Deferred income	942,314	3,077,137
DEBT	165,416,687	411,328,275
Currency translation liabilities	1,024,121	5,711,343
OVERALL TOTAL	116,356,574	184,196,461

Profit (loss) for the financial year in cents 10,785,094.15
Total balance sheet in cents 116,356,574.45

PROFIT AND LOSS STATEMENT (LIST)

Items	France	Export	March 31, 2021	March 31, 2020
Sales of goods	799	45,886	46,685	74,279
Production sold (goods)				63
Production sold (services)	15,451,381	16,930,688	32,382,070	49,203,987
NET REVENUE	15,452,180	16,976,574	32,428,755	49,278,329
Stored production				
Capitalized production			325,976	(176,991)
Reversals of provisions (and amortization), transfers of expenses			46,118,543	86,866,207
Other income			579,038	424,664
TOTAL OPERATING REVENUE			79,452,313	136,392,209
Purchases of merchandise (including customs duties)				
Other purchases and external charges			16,083,585	24,894,732
Tax, duties and related payments			460,776	874,160
Wages and salaries			2,621,722	2,106,666
Social security contributions			1,167,862	928,061
OPERATING PROVISIONS				
For tangible and intangible assets: amortization			37,939,584	52,594,716
For tangible and intangible assets: depreciation			13,495,695	44,766,145
For current assets: depreciation			666,816	4,875,704
Provisions			219,224	403,264
Other expenses			8,615,714	9,211,244
OPERATING EXPENSES			81,270,978	140,654,691
OPERATING INCOME			(1,818,665)	(4,262,483)
JOINT OPERATIONS				
Loss incurred or profit transferred			1,091	5,112
FINANCIAL INCOME				
Income on other securities and receivables from non-current assets			(814,457)	32,858,683
Other interest and related income			3,788	24,224
Reversals of provisions and transfers of expenses			223,554,058	7,595,163
Foreign exchange gains			2,669,488	416,328
Net income on marketable securities			264	
FINANCIAL INCOME			225,413,141	10,897,398
Financial allocations to impairment, amortization and provisions			166,341,560	154,121,196
Interest and similar expenses			49,168,989	19,571,491
Foreign exchange losses			5,583,513	200,413
FINANCIAL EXPENSES			221,094,062	173,893,099
FINANCIAL INCOME			4,319,079	(162,995,701)
INCOME FROM RECURRING OPERATIONS BEFORE TAXES			2,499,323	(167,263,296)

PROFIT AND LOSS STATEMENT (continued)

Items	March 31, 2021	March 31, 2020
Non-recurring income from management transactions	4,662,921	29,833
Non-recurring income from capital transactions	570,750	4,045,743
Reversals of provisions and transfers of expenses	11,284,451	5,060,010
NON-RECURRING INCOME	16,518,122	9,135,586
Non-recurring expenses on management transactions	1,099,687	41,087,984
Non-recurring expenses on capital transactions	5,780,429	81,336
Extraordinary allocations to impairment, amortization and provisions	1,914,929	10,219,545
NON-RECURRING EXPENSES	8,795,045	51,388,865
NON-RECURRING INCOME	7,723,077	(42,253,278)
Statutory employee profit sharing		
Income tax	(562,694)	(460,015)
TOTAL INCOME	321,383,576	156,425,193
TOTAL EXPENSES	310,598,482	365,481,753
PROFIT OR LOSS	10,785,094	(209,056,560)

ACCOUNTING PRINCIPLES AND METHODS

1. Valuation principles and methods

The financial statements for the financial year ended on March 31, 2021 have been prepared and presented in accordance with the accounting standards and principles established in the Professional Guide to Accounting Standards for film production and distribution companies. The accounting rules have been applied in accordance with the provisions of the French Commercial Code and ANC Regulation No. 2016-07 of November 4, 2016, modifying Regulation No. 2013-03 of June 5, 2014.

These general accounting rules have been applied in compliance with the prudence principle, in accordance with the following basic assumptions:

- Continuity of operations;
- Independence of financial years;
- Continued use of the same accounting methods from one financial year to the next.

Uncertainties impacting continuity as a going concern

Management must assess the entity's ability to continue as a going concern and, in the presence of material uncertainties related to events or conditions likely to cast significant doubt on the Company's ability to continue its business activities, the entity must specify the nature of these uncertainties. To assess this ability, management takes into account all available information regarding the coming 12 months at a minimum, but not limited to this timeframe, from the end of the reporting period, i.e. until March 31, 2022.

Thanks to the validation of the Safeguard Plan by the Commercial Court on July 24, 2020 and the subsequent completion of the capital increases by way of conversion of receivables, the uncertainties regarding the Group's ability to continue as a going concern that had been specified on March 31, 2020 have been lifted.

As a reminder, at this stage the Group is not under any short-term cash flow pressure and currently has several projects ready to begin production but the evolving health situation makes it difficult to organize production, especially for English-language films with international dimension. Then, several projects of films with a start of production planned during autumn 2020 have been delayed

to 2nd semester 2021, shifting the forecast in the business plan approved by the Safeguard Plan in July 2020. As the extension of the EuropaCorp SA safeguard plan, for an additional two years, was approved by the Court on March 16, 2021, the Company is in a position to prepare for the resumption of production after Covid-19. Despite the impacts that may occur, the going concern assumption is not called into question in view of the information available at the date of closing of these annual financial statements.

2. Comparability of the annual financial statements

The measurement and presentation methods used to prepare the financial statements for the financial year are identical to those used the previous year.

3. Production costs and amortization methods of films

3.1 Licenses, patents and similar rights

This item includes all the expenses required for film-making and to acquire the corresponding exploitation rights.

Films are included in capitalized production only for the Company's share of funding. Financial investments are deducted from the cost price of the capitalized production.

The gross value of films reported in the Statement of financial position corresponds to the value of the acquisition of tangible and intangible rights if EuropaCorp did not take part in production. The capitalized cost of a film includes all of the direct costs and interest expenses incurred during the production period until the end of filming, as well as a portion of overheads directly attributable to the production. More in particular, payroll costs included in investment costs apply to staff directly involved in the production process.

3.2 Production costs

Production costs comprise all direct and financing costs incurred to produce a film up to the end of shooting, as well as a portion of overheads directly attributable to production.

No financing costs were recorded under assets for the financial year. They are reported separately and reviewed project by project at each period closing.

A depreciation provision may be recorded for ongoing productions at the end of the financial year, if the initial budget is exceeded by a significant amount or when the estimate made by operational managers for future receipts is lower than the net investment at the financial year end.

A provision is also created for films exploited between the closing date of the accounts and their approval, if the estimated value of future income is lower than the amount invested.

3.3 Preliminary expenses

Preliminary expenses are essentially the fees paid to acquire existing film exploitation rights (option agreements) and adaptation costs in view of securing a script that the Group intends to produce in the mid-term. They are reported separately and reviewed project by project at each period closing. Depreciation is then provisioned in case of uncertainty on whether the projects will go ahead.

Moreover, preliminary expenses that do not lead to a decision to shoot within five years from their first recognition are depreciated. However, this principle does not apply to projects having been recognized for more than five years, if there are specific production engagements or genuine expressions of interest, or when the company believes that the development timeframe does not call into question the start of shooting in the long term.

3.4 Production expenses, subsidies and other funds granted by the National Center for Cinema and Animation (CNC) and European bodies

Expenses incurred during the financial year to make films are reported in the respective items based on the type of operating expenses.

The capitalized cost is recognized under “Capitalized production” in Operating income.

Subsidies invested in film production are accounted for in the statement of financial position under “Investment subsidies” when the CNC authorizes the payment.

As of March 31, no CNC subsidy has been authorized.

The CNC production approval generates the transfer of the subsidy into the annual results.

3.5 Film amortization methods

The capitalized cost of films is amortized in accordance with the following principles:

- Economic depreciation is applied to each film using the estimated receipts method, i.e. by applying to the cost of the film the ratio resulting from the comparison of actual net receipts and total forecast net receipts of the film’s first life cycle;
- The Senior Management periodically reviews and adjusts the forecast for expected net receipts, if required, taking into account the performance of film exploitation, of new or expected agreements and the evolution of the audiovisual market at the closing date of the accounts. Forecast net receipts are estimated over a maximum period of 12 years;
- If net amortization of the investment as calculated with this method is higher than the forecast net receipts, additional exceptional depreciation is recorded to cover the shortcoming.

If applicable, exceptional depreciation is applied if the charge, calculated pursuant to Tax Directive 4D-2-97 of April 23, 1997, is higher than the economic depreciation described above. Otherwise, if the charge calculated in accordance with tax principles is less than the economic depreciation, the surplus depreciation is recognized as a provision for asset impairment and not in a depreciation account.

These impairment provisions are not tax-deductible.

For the financial year ended on March 31, 2021, the provision for impairment of intangible assets showed:

- a net reversal of €31,770,770, corresponding to the impairment of films;
- a net provision of €412,237 covering preliminary expenses.

The total impact on the net income for the financial year was €31,538,534.

4. Property, plant and equipment

Property, plant and equipment are recognized at their acquisition cost. They are depreciated over their estimated life of use.

Assets are amortized based on their likely life and conditions of use. The Company uses the straight-line method and the rates applied are as follows:

Items	Period	Rate
Machinery and equipment	5-10 years	10 to 20%
Vehicles	4 to 5 years	20 to 25%
Furniture	3 to 10 years	33.33 to 10%
Office equipment	3 to 10 years	33.33 to 10%
Fixtures and fittings	10 years	10%
IT equipment	3 years	33.33%

Provisions are created based on the depreciation of assets or the likelihood of risks or expenses included in liabilities.

5. Financial assets and related receivables

Financial investments are recognized at their acquisition cost. If the value in use of the investment and related receivables is lower than the acquisition cost, an impairment provision is recorded. Value in use is determined, in particular, based on the portion of the net assets held. The value in use of the securities is appreciated on the basis of different methods, amongst which the share of net asset held, the future prospects or the future cash flows estimated by the Management for 5 years maximum.

The treasury shares held by the Group on March 31, 2021 stood at €57,546 (83,718 shares) against €86,520 (65,651 shares) on March 31, 2020.

6. Inventory

The Company's inventory is recognized at the acquisition price of the elements comprising the inventory. As of March 31, 2021, the Company's inventories comprised fully depreciated goodies totaling €100,614.

7. Receivables and depreciation provisions

Receivables are valued at their nominal value. Where necessary, they have been depreciated to take into account any difficulties with recovery they might be subject to.

A depreciation provision is established for receivables under dispute or unusual late payments. The provision percentage is determined case by case.

Moreover, a provision for the depreciation of miscellaneous receivables is established based on the estimated risk of default.

8. Foreign currency transactions

Expense and income in foreign currencies are recorded at their exchange value in euros at the date of the transaction. Foreign-currency receivables and payables outstanding at the reporting date are translated at the rates prevailing at that date. The translation adjustments are recorded in the statement of financial position under "Currency translation differences". In accordance with the accounting recommendations, the currency translation assets only lead to a provision in the absence of hedging. At the individual level, the Company benefits from a contractual currency hedge based on forward contracts completed by a natural currency hedge thanks to the international minimum guarantees (linked to the sale of the distribution rights on different territories) paid in foreign currencies.

9. Marketable securities

Marketable securities are measured at their acquisition cost. If their book value is lower than the acquisition cost, a provision is created.

10. Provisions for risks and expenses

The provisions for risks and expenses are made to meet current obligations to third parties arising from past events if it is likely that said obligations will cause an outflow of resources to third parties without a return for the Company and if the outflow of resources can be reliably measured. These provisions are calculated based on the appraisal of the risks existing at the reporting date. The amounts include an element of uncertainty and may be adjusted in subsequent periods.

The provisions for risks and expenses relate primarily to the following:

- A provision for a URSSAF deficiency notice of €0.3 million;
- A provision relating to a dispute between the Company and a third-party author for €0.5 million;
- The provision of €5.6 million for compensation to be paid as part of the renegotiation of his lease was reversed and recognized as an accrued expense following the signing of a memorandum of understanding with the lessor.

On March 31, 2021, the provisions for risks and expenses also included €1.0 million of provisions related to subsidiaries' net positions.

11. Revenue recognition

11.1 Accrual of production receipts

Receipts coming from the sale of the broadcasting rights to pay or free TV channels are recognized as revenue when the TV channel officially accepts the material, whenever may be the beginning of the broadcasting rights.

As part of "multi-rights" sales agreements allowing the exploitation of a film across a whole territory through multiple distribution channels, including in theaters, in video, on TV and on VOD in some cases, the corresponding revenues are recognized as such when the physical delivery is completed to the local distributor, and when the exploitation rights are opened to the local distributor.

When a deal with a foreign distributor plans different deliveries, and when a clearly defined income is related to each delivery (minimum guarantee, most of the time), each income is recognized as revenue on the completion and the acceptance of the related delivery by the foreign distributor.

Any amount receivable in excess of the minimum guarantee is posted under revenue only when finally acquired, i.e. when the amount has been confirmed in writing by the local distributor.

Any contract executed before delivery gives rise to the recognition of "Deferred income" under liabilities if revenue has been billed, or under "Off-balance sheet commitments" (if no invoice has been issued) until the delivery is completed.

11.2 Accrual of revenue from line production

Commissions received by EuropaCorp for its services as line producer are recognized under income based on the progress of each production at the closing date. Until these conditions have been met, revenue is recognized in deferred income, under the "Other liabilities" item.

12. Income taxes

12.1 Tax consolidation

Since April 1, 2007, EuropaCorp has opted to apply tax consolidation to its subsidiaries:

- EuropaCorp Home Entertainment;
- EuropaCorp Distribution;
- Intervista;
- Dog Productions;
- EuropaCorp TV;
- Ydéo;
- EuropaCorp Aéroville;
- Blue Advertainment (parent company of Blue Event and Digital Factory, de facto integrated as well);
- EuropaCorp Television;
- Valerian Holding;
- Valerian SAS;
- T5 Production;
- Orchestra.

The Roissy Films, EuropaCorp Music Publishing and Cipango Music companies are no longer part of the tax consolidation scope following their dissolution without liquidation.

As a contribution to the payment of the Group's income tax and irrespective of the actual amount of said tax, the subsidiaries will pay EuropaCorp an amount equal to the tax imposable on their net profit and/or long-term capital gain for the financial year if they had been taxed individually, after deduction, by consequence, of all the tax credits they would have been entitled to if not consolidated.

In case of a tax loss recorded for the financial year, the subsidiaries cannot claim any credit from EuropaCorp, even if they would have been entitled to a tax credit from the Government by choosing the carry-back option for the overall loss. The tax savings, coming from the Group's tax regime and equal to the difference between the sum of all the tax amounts paid by each subsidiary to the group and the tax amount actually paid by the group to the Treasury, should remain the Group's property. These savings total €565 thousand for the financial year ended on March 31, 2021.

12.2 Cinema tax credit

The tax credit mechanism is eligible for the production companies which have to pay corporate taxes and which produce fictional, documentary and animation full-length feature films which (i) are mainly French-speaking films, (ii) obtained both the investment and the production CNC agreements, (iii) are mainly created on French soil and (iv) contribute to the development and the diversity of the French and European cinema creations. An agreement process by the CNC must be initiated to benefit from the tax credit.

The tax credit is 30% of the eligible expenses and cannot be more than 80% of the film budget. As of March 31, 2021, EuropaCorp recognized no cinema tax credit for the financial year.

13. Other information

The financial statements of EuropaCorp are consolidated using the equity method in the consolidated financial statements prepared by Front Line.

A Group profit-sharing agreement (with Front Line SAS as parent company) has been in place since 2004. No provision for the special profit-sharing reserve was recognized over the financial year.

14. Default clause or “Covenant”

The Group’s cash requirements are guaranteed by operating cash flows, as well as authorized overdrafts, factoring of sales receivables, and specialized production credits.

When carrying out its everyday business, the Group is exposed to interest rate, liquidity, foreign exchange and credit risks that may impact its net position.

SIGNIFICANT EVENTS

1. Significant events during the financial year:

1.1 Trade receivables

As previously mentioned, on March 31, 2014, the Group recognized annual revenue of €30.9 million (\$42.7 million) resulting from the buy-out agreement signed with Fox in March 2014. On March 31, 2020, the balance of the receivable related to this agreement was reduced to \$7.1 million (€6.4 million), following payments of \$3.6 million (€3.2 million) received during the financial year. The remaining balance will be paid in installments as statements are received and, in any event, will be settled in full no later than March 31, 2024. Note also that this receivable was discounted at the closing date based on a four-year recovery assumption, taking into account the improved cash flow on other films with this distributor and by applying a discount rate of 2.1%.

No additional revenue was recognized under this agreement during the period. Foreign exchange gains and losses linked to movements in the dollar have been recognized in operating income, in accordance with ANC Regulation no. 2015-05 of July 2, 2015.

1.2 Restructuring of the financial debt

The 2020/2021 financial year was marked by the finalization of the Group’s financial restructuring with the entry of a new majority shareholder, the Vine Alternative Investments Group funds, and the appointment of a new Chief Executive Officer.

The Commercial Court of Bobigny approved the safeguard plan for the Company and its subsidiaries on July 24, 2020 and as such ended the safeguard procedure, enabling the Board of Directors to execute the delegation given by the Combined General Meeting on April 28, 2020. As such, the Board of Directors proceeded with the capital increases by converting second- and third-line receivables reserved for the Vine and Falcon funds, totaling around €193 million on July 28, 2020, by creating and issuing 81,124,722 new shares with a par value of €0.34 each. On that date, the share capital was therefore increased from €13,932,353.06 to €41,514,758.54, and is now composed of 122,102,231 shares, of which 73,444,492 belong to the Vine funds (60%).

Following the completion of the capital increases reserved for the Vine funds, the Board of Directors of EuropaCorp, meeting on August 8, 2020, unanimously appointed Mr. Axel Duroux to the position of Chief Executive Officer of the Group, on the recommendation of the Compensation and Appointments Committee. He joined EuropaCorp on September 1, 2020.

1.3 Impacts of the second COVID wave

Given the changes in the health situation during the financial year ended on March 31, 2021, the Group considered that there was a risk of delays in the release of films and/or theatrical releases. In this respect and in accordance with Article 5 of Order No. 2020-596 of May 20, 2020, a request was filed with the Commercial Court of Bobigny by the commissioners for the execution of the plan to extend the duration of EuropaCorp SA’s safeguard plan for an additional two years, so that the total

duration of the safeguard plan be nine years from July 24, 2020, implying a new payment schedule. Other terms and conditions of the Plan which are not in contradiction with the foregoing would remain unmodified. By ruling on March 16, 2021, the Commercial Court of Bobigny approved the request, thus allowing the company to prepare the restart of productions following the end of Covid-19.

1.4 Award of free shares

By decision of October 26, 2020, and on the proposal of the Appointments and Remuneration Committee on the same day, the Board of Directors decided to set up a plan for the free allocation of 591,787 shares of EuropaCorp SA for the benefit of the employees and corporate officers of EuropaCorp and its subsidiaries located in France. Similarly, by decision of November 16, 2020, and on the proposal of the Appointments and Remuneration Committee on the same day, the Board of Directors decided to set up a plan for the free allocation of 436,365 EuropaCorp SA shares.

These decisions are part of the authorization granted by the Combined General Meeting of EuropaCorp's shareholders of September 28, 2020, in its 28th resolution, for the purpose of making free share grants to employees or corporate officers of the company and affiliated companies within the meaning of Article L. 225-197-2 of the French Commercial Code, up to a limit of 10% of the share capital.

The Board of Directors also decided to set the vesting period at 1 year (this period running from the date of this decision) and the retention period at 1 year (this period running from the end of the vesting period).

Finally, the Board of Directors specified that the said shares will only be effectively and definitively acquired by the beneficiaries at the end of the vesting period and that this operation will be carried out by the allocation either of new shares, to be issued within the framework of one or more capital increases, or of existing shares, resulting from repurchases made by the Company within the framework of its share buyback program.

1.5 Main films

No films were released this year.

2. *Subsequent events*

No significant event occurred after the closing date.

OFF-BALANCE SHEET COMMITMENT

SECURITY INTERESTS

List of security interests granted to JP Morgan Chase Bank NA in connection with the principal line of credit entered into on October 21, 2014

As collateral for this line of credit entered into with JP Morgan on October 21, 2014, EuropaCorp and certain of its subsidiaries (Blue Advertainment, Digital Factory, EuropaCorp Distribution, EuropaCorp Home Entertainment, and Ydéo) have granted first-line guarantees on all of their assets.

On October 21, 2014, EuropaCorp arranged, for the benefit of the lenders, first-line personal guarantees for the commitments of EuropaCorp Films USA, Inc. in respect of the credit lines, and, as security for these personal guarantees:

- *first-line on-demand standalone guarantees;*
- *first-line pledges of securities accounts relating to shares of the following subsidiaries:*
 - o *EuropaCorp Home Entertainment SAS,*
 - o *EuropaCorp Distribution SAS,*
 - o *Intervista SAS,*
 - o *Dog Productions SAS,*
 - o *Ydéo SAS,*
 - o *Blue Advertainment SAS,*
 - o *EuropaCorp Films USA, Inc. (pledge under US law)*
 - o *EuropaCorp Aéroville SAS,*
 - o *EuropaCorp Television SAS;*
- *first-line pledges of shares of the company Pass Pass La Cam SARL;*
- *first-line pledges of all of its existing or future bank accounts;*
- *first-line pledges of claims on any type of intercompany loan or advance;*
- *first-line cinematographic pledges on the tangible and intangible rights of the cinematographic films in its catalog of the first-line cinematographic revenue delegations on the revenues generated by the films in its catalog;*
- *first-line pledges of the physical elements of films stored at laboratories outside France;*
- *first-line pledges of all of its proprietary trademarks;*
- *first-line assignments of insurance covering all insurance policies except for error and omissions and third-party liability policies;*
- *first-line pledges of its business;*
- *first-line pledgeholder agreements under US law with the laboratory Éclair;*
- *first-line pledgeholder agreements under US law with the laboratory Digital Factory.*

On October 22, 2014, Blue Advertainment, Digital Factory, EuropaCorp Distribution, EuropaCorp Home Entertainment and Ydéo also arranged, for the benefit of the lenders, first-line personal guarantees for the commitments of EuropaCorp Films USA, Inc. in respect of the credit lines, and, as security for this personal guarantee:

- *first-line on-demand standalone guarantees;*
- *first-line pledges of their businesses;*
- *first-line pledges of all of its existing or future bank accounts;*
- *where applicable, first-line pledges of securities accounts relating to shares in the equity interests they hold;*
- *where applicable, first-line film pledges concerning the tangible and intangible rights to the films in their catalog;*
- *where applicable, first-line assignments of film revenue concerning revenue generated by the films in their catalog;*
- *where applicable, assignments of SACEM revenue.*

As regards the feature film “*Valerian and the City of a Thousand Planets*”, financed by the banking pool outside the revolving credit line, on January 19, 2018, the subsidiaries Valerian Holding SAS and Valerian SAS granted:

- *where applicable, a first-line pledge of securities accounts relating to shares in the equity interests they hold;*
- *where applicable, first-line pledges of all of their existing or future bank accounts;*
- *where applicable, first-line film pledges concerning the tangible and intangible rights to the film “Valerian and the City of a Thousand Planets”;*
- *where applicable, first-line assignments of film revenue concerning revenue generated by the film “Valerian and the City of a Thousand Planets”.*

List of security interests granted to Comerica Bank in connection with the conclusion of a credit line on July 30, 2020

As security for a line of credit entered into with Comerica Bank on July 30, 2020 under a Credit, Security, Guaranty and Pledge Agreement between EuropaCorp Pictures LLC, as Borrower, EuropaCorp Finance LLC, as Parent, Vine Film Renaissance LLC, as Lender, and Comerica Bank, as Administrative Agent, EuropaCorp SA has entered into a Pledge Agreement, as French Parent, with Comerica Bank, as Administrative Agent, in which EuropaCorp SA has granted a first-line pledge of all of EuropaCorp Finance LLC's securities.

PENSION COMMITMENTS

Commitments made in terms of pensions, additional pensions and other post-employment benefits subject to an off-balance sheet commitment or contracted for the benefit of executives

Severance payments are calculated based on the "Projected Unit Credit" method.
The present value of expected future benefits at retirement is calculated for each employee.
French Act of November 9, 2010 reformed the conditions for retirement.

Average retirement age: 63 years

Rate of social security contributions: 45%

Discount rate: 0.72%

Salary increase rate: 3% for Managers 1.5% for Employees and Supervisors

Turnover rate: 10%

The off-balance sheet commitment stands at €297,889 at the end of the financial year (EuropaCorp).

FIXED ASSETS

Items	Start of period	Revaluation	Acquisitions, contributions
INTANGIBLE ASSETS	1,306,879,365		595,916
<i>Components</i>			
Plant, machinery and equipment	158,582		
General plant, fixtures and fittings, vehicles	3,956,060		69,954
Office and IT equipment, furniture	98,392		
	566,533		13,403
PROPERTY, PLANT AND EQUIPMENT	4,779,566		83,357
Other investments	167,588,847		175,250,121
Loans and other financial assets	6,647,698		2,164,909
FINANCIAL ASSETS	174,236,545		177,415,030
OVERALL TOTAL	1,485,895,476		178,094,302

Items	Transfer	Disposal	End of period	Initial value
INTANGIBLE ASSETS	138,173	88,084	1,307,249,024	
Plant, machinery and equipment			158,582	
General plant, fixtures and fittings		3,868,326	157,687	
Vehicles		18,125	80,267	
Office and IT equipment, furniture		27,973	551,963	
PROPERTY, PLANT AND EQUIPMENT		3,914,424	948,499	
Other investments		45,480,881	297,358,087	
Loans and other financial assets		1,156,335	7,656,272	
FINANCIAL ASSETS		46,637,216	305,014,359	
OVERALL TOTAL	138,173	50,639,723	1,613,211,881	

AMORTIZATION

Items	Start of period	Charges	Reversals	End of period
INTANGIBLE ASSETS	1,216,082,615	37,932,884		1,254,015,500
Plant, machinery and equipment	158,582			158,582
General plant, fixtures and fittings	3,956,060	1,322	3,868,326	89,056
Vehicles	90,759	1,907	12,399	80,267
Office and IT equipment, furniture	482,344	3,471	27,973	457,842
PROPERTY, PLANT AND EQUIPMENT	4,687,745	6,700	3,908,698	785,747
OVERALL TOTAL	1,220,770,360	37,939,584	3,908,698	1,254,801,246

BREAKDOWN OF MOVEMENTS OF SPECIAL AMORTIZATION PROVISION

Items	Charges			Reversals			Net amortization change at period end
	Differential for duration	Declining-balance method	Exceptional tax amortization	Differential for duration	Declining-balance method	Exceptional tax amortization	
Other intangible assets <i>Construct.</i>			1,905,677			4,224,261	(2,318,584)
TANGIBLE							
TOTAL			1,905,677			4,224,261	(2,318,584)

Accrued expenses	Start of period	Increases	Charges	End of period

PAYABLES AND RECEIVABLES

<i>RECEIVABLES</i>	<i>Gross amount</i>	<i>≤ 1 year</i>	<i>> 1 year</i>
Loans	610,000	610,000	
Other financial assets	7,046,272	57,546	6,988,726
Doubtful or disputed trade receivables	5,800,303	5,800,303	
Other trade receivables	19,030,907	19,030,907	
Staff	29	29	
Social Security and other welfare institutions	2,451	2,451	
National Government, other authorities: income tax	135,578	135,578	
National Government, other authorities: value-added tax	1,840,318	1,663,008	177,311
National Government, other authorities: miscellaneous receivables	44,986	44,986	
Group and associates	54,959,496	54,959,496	
Miscellaneous receivables	622,018	622,018	
Prepaid expenses	187,876	187,876	
OVERALL TOTAL	90,280,233	83,114,196	7,166,037
Loans granted during the period			

<i>PAYABLES</i>	<i>Gross amount</i>	<i>≤ 1 year</i>	<i>> 1 year - 5 years</i>	<i>> 5 years</i>
Borrowings originally ≤ 1 year	4,313,337	1,103,658	3,209,679	
Miscellaneous borrowings	613,027	613,027		
Trade payables	31,884,755	28,862,810	2,371,648	650,297
Staff	402,964	384,370	12,932	5,662
Social Security and other welfare institutions	536,533	485,250	34,189	17,094
National Government: value-added tax	2,398,566	2,398,566		
National Government: other taxes and duties	819,548	339,063	320,323	160,162
Group and associates	35,538,087	35,538,087		
Other financial liabilities	87,967,557	6,924,905	35,832,690	45,209,962
Deferred income	942,314	942,314		
OVERALL TOTAL	165,416,687	77,592,050	41,781,460	46,043,177
Loans taken out during the period				
Loans repaid during the period				

PROVISIONS AND DEPRECIATION

<i>Items</i>	<i>Start of period</i>	<i>Charges</i>	<i>Reversals</i>	<i>End of period</i>
Exceptional amortization	23,936,505	1,905,677	4,224,261	21,617,920
REGULATED PROVISIONS	23,936,505	1,905,677	4,224,261	21,617,920
Provisions for litigation	6,994,029	47,440	6,018,463	1,023,007
Provisions for foreign exchange losses	9,605,340	287,205	9,581,808	310,737
Other provisions for risks and expenses	2,057,712	9,252	1,041,727	1,025,237
PROVISIONS FOR RISKS AND EXPENSES	18,657,081	343,897	16,641,998	2,358,980
Depreciation of intangible assets	59,597,767	13,495,695	44,854,228	28,239,233
Depreciation of equity holdings	129,250,488	162,834,017	15,854,173	276,230,331
Depreciation of other financial assets	52,486	(2,519)	49,967	
Depreciation of inventory and work in progress	100,615			100,615
Depreciation customer accounts	4,668,725	666,816	699,416	4,636,125
Other depreciation	197,415,878	3,394,641	158,018,344	42,792,176
DEPRECIATION	391,085,958	180,388,650	219,476,129	351,998,479
OVERALL TOTAL	433,679,544	182,638,224	240,342,388	375,975,380
Charges and reversals of operating provision		14,381,735	46,312,832	
Charges and reversals of financial provision		166,341,560	182,745,105	
Extraordinary allocations		1,914,929	11,284,451	

PROVISIONS FOR RISKS AND EXPENSES

Items	Position and movements				
	Provisions at start of period	Increases during period	Reductions		Provisions at period end
			Amounts used during the period	Amounts not used during the period	
Net position provision	2,057,712	9,252		1,041,727	1,025,237
Provision for foreign exchange losses	9,605,340	310,737		9,605,340	310,737
Provisions for risks and expenses	6,994,029	47,440	5,926,928	91,534	1,023,007
TOTAL	18,657,081	367,428	5,926,928	10,738,601	2,358,980

ACCRUED EXPENSES

On March 31, 2021

Accrued expenses	€33,479,383.85
Trade payables	€27,066,049.94
Taxes and social security contributions payable	€894,652.41
Interest on overdrafts	€4,248,083.02
Other financial liabilities	€1,270,598.48
Total accrued expenses	€33,479,383.85

DEFERRED INCOME

On March 31, 2021

Deferred income	€7,104,248.27
Trade receivables	€7,095,500.54
Other receivables	€4,699.18
Banks, financial institutions	€4,048.55
Total accrued income	€7,104,248.27

NON-RECURRING INCOME AND EXPENSES

<i>Type of expense</i>	<i>Amount</i>
Fines and penalties	456
Net book value of assets sold	93,809
Regulated provisions - exceptional amortization	1,905,677
Agreements signed on provisioned risks	5,673,289
Receivables recognized as liabilities of the company	1,062,231
Exceptional provisions	9,252
Other non-recurring expenses	50,331
TOTAL	8,795,045

<i>Type of income</i>	<i>Amount</i>
Income from asset disposals	6,567
Reversals of provisions for risks and expenses	6,018,463
Reversal of exceptional amortization	4,224,261
Receivables not recognized as liabilities of the company	4,835,436
Subsidies taken to profit (loss)	360,420
Reversal of provisions for net equity interests	1,041,727
Litigation payments received	20,309
Other non-recurring income	10,940
TOTAL	16,518,122

TRANSFERS OF EXPENSES

<i>Type of transfer</i>	<i>Amount</i>
Transfer of general and administrative expenses	
Costs of projects to enter production	(194,302)
TOTAL	(194,302)

IMPACT OF SPECIAL TAX VALUATIONS

<i>Items</i>	<i>Accruals</i>	<i>Reversal</i>	<i>Amount</i>
NET INCOME FOR THE FINANCIAL YEAR			10,785,094
Income tax			
INCOME BEFORE TAX			10,785,094
REGULATED PROVISIONS	1,905,677	4,224,261	(2,318,584)
OTHER SPECIAL VALUATIONS			
INCOME EXCLUDING SPECIAL TAX VALUATIONS (before tax)			(8,466,510)

FINANCIAL COMMITMENTS

<i>Commitments made</i>						
<i>Types of commitments</i>	<i>Total</i>	<i>In favor of</i>				
		<i>Executives</i>	<i>Subsidiaries</i>	<i>Equity interests</i>	<i>Other related companies</i>	<i>Other</i>
Rent	5,296,793					5,296,793
First demand guarantee	164,785			164,785		
TOTAL	5,461,577			164,785		5,296,793

<i>Commitments received</i>						
<i>Types of commitments</i>	<i>Total</i>	<i>Received from</i>				
		<i>Executives</i>	<i>Subsidiaries</i>	<i>Equity interests</i>	<i>Other related companies</i>	<i>Other</i>
Subsidies funding	1,417,644					1,417,644
TV presales	1,529,500					1,529,500
International sales	360,318					360,318
Partnership and licensing	300,000					300,000
Rent	3,408,158		1,161,997			2,246,162
TOTAL	7,015,620		1,161,997			5,853,624

<i>Mutual commitments</i>						
<i>Types of commitments</i>	<i>Total</i>	<i>Executives</i>	<i>Subsidiaries</i>	<i>Equity interests</i>	<i>Other related companies</i>	<i>Other</i>
TOTAL						

BREAKDOWN OF INCOME TAX

<i>In thousands of euros</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Tax on income from recurring operations	0	0
Tax on short-term non-recurring income	0	0
Consequences of tax consolidation	565	410
Cinema tax credit	0	0
Other tax expenses	-3	0
Other tax credits		50
Total	563	460

DEFERRED AND LATENT TAX POSITION

(in thousands of euros)	Tax base			
	March 31, 2021		March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
I. CONTINGENT OR ASSURED MISMATCHES IN CONSOLIDATION				
Temporarily non deductible expenses				
To be deducted next year				
- profit sharing	0		0	
- Organic	30		45	
To be deducted later on				
- provisions for film impairments	28,239		59,598	
- provisions for risks and expenses	47		5,636	
- provisions for trade receivables & inventory	1,182		1,110	
- provision for foreign exchange losses	311		9,605	
- other	6		63	
Temporarily non taxable income				
Fiscally deducted expenses (or already taxed income) not yet entered into the accounts				
- Currency translation assets		311		9,605
- Currency translation liabilities	1,024		5,711	
- Film amortization		547		1,599
Total	30,839	858	81,770	11,204
II. ITEMS YET TO ALLOCATE				
Loss carryovers	233,177		140,105	

CHANGE IN EQUITY

<i>Start-of-period position</i>		<i>Balance</i>
Equity before distribution of previous earnings		(251,500,238)
Equity after distribution of previous earnings		(251,500,238)
<i>Changes during the period</i>	<i>Negative</i>	<i>Positive</i>
Changes in share capital		27,582,405
Changes in share capital premiums		163,368,530
Changes in investment subsidies	360,420	
Changes in regulated provisions	2,318,584	
Net income for the period		10,785,094
BALANCE		199,057,025
<i>End-of-period position</i>		<i>Balance</i>
Equity before dividends		(52,443,213)

BREAKDOWN OF THE SHARE CAPITAL

Categories of securities	Number of securities			Par value
	At period end	Created during the year	Reimbursed during the year	
Ordinary shares	122,102,231	81,124,722		0.34

BREAKDOWN OF REVENUE IN THOUSANDS OF EUROS

	<i>Revenue France</i>	<i>Revenue Export</i>	<i>Total 03/31/2021</i>	<i>Total 03/31/2020</i>	<i>% 2020/2019</i>
Film production activity (the company only has one business segment)	15,452	16,977	32,429	49,278	-34.19%
TOTAL	15,452	16,977	32,429	49,278	-34.19%

PARENT COMPANIES CONSOLIDATING THE COMPANY'S FINANCIAL STATEMENTS

<i>Legal name – Registered office</i>	<i>Legal status</i>	<i>Share Capital</i>	<i>% held</i>
Front Line 20 rue Ampère - 93200 St-Denis	SAS	2,242,240	12.77%

AVERAGE HEADCOUNT

<i>Headcount</i>	<i>Salaried employees</i>	<i>Staff made available to the company</i>
Managers as of March 31, 2021	22	
Non-managers as of March 31, 2021	7	
TOTAL	29	

REMUNERATION OF EXECUTIVES

<i>Items</i>	<i>Total executives</i>	<i>Bodies</i>		
		<i>Administration</i>	<i>Management</i>	<i>Surveillance</i>
Financial commitments Compensation allocated	611,669	220,000	391,669	
<i>Conditions of loans granted during the year:</i>				
<i>Repayments made during the year:</i>				

LIST OF SUBSIDIARIES AND EQUITY INTERESTS

<i>Legal name – Registered</i>	<i>Equity</i>	<i>Share held Divid.</i>	<i>Gross val. securities Net</i>	<i>Loans, advances</i>	<i>Revenue Result</i>
<i>SUBSIDIARIES (more than 50%)</i>					
Dog Productions - 422132829 20 rue Ampère - 93200 St-Denis	46,200 (682,974)	100.00%	2,647,750		(9,701)
Intervista - 395246408 20 rue Ampère - 93200 St-Denis	46,200 (1,168,473)	100.00%	2,080,074		(29,268)
EuropaCorp Distribution - 434969861 20 rue Ampère - 93200 St-Denis	45,000 (3,781,291)	100.00%	32,620,900		581,605 46,088
EC Home Entertainment - 438619512 20 rue Ampère - 93200 St-Denis	38,500 1,042,608	100.00%	7,700 7,700		1,042,920 (908,661)
Digital Factory - 792019002 20 rue Ampère - 93200 St-Denis	2,836,094 2,081,284	88.90%	17,484,323 1,832,995		655,644 (899,108)
Ydéo - 434677688 20 rue Ampère - 93200 St-Denis	37,000 (2,692,208)	100.00%	676,188		(37,998)
EuropaCorp Télévision 20 rue Ampère - 93200 St-Denis	113,233 13,273,940	95.20%	7,975,136 7,975,136		5,587,263 1,879,645
EuropaCorp TV 20 rue Ampère - 93200 St-Denis	37,000 (343,129)	100.00%	37,000		(4,330)
EuropaCorp Aéroville 20 rue Ampère - 93200 St-Denis	1,000 (13,563,312)	100.00%	1,000		(480,519)
Orchestra 20 rue Ampère - 93200 St-Denis	1,000 11,940	100.00%	1,000 1,000		26,363
Valérian Holding 20 rue Ampère - 93200 St-Denis	45,000 (48,084)	100.00%	45,000		(9,252)
Blue Advertainment 20 rue Ampère - 93200 St-Denis	75,182 (3,412,988)	100.00%	6,832,434		(380,161)
EuropaCorp Film USA 8605 Santa Monica Blvd, PMB124329	9,382 (2,682,654)	100.00%	220,395,966 10,810,927		7,083,927 4,457,086
EuropaCorp Film USA 68 South Service Rd, Suite 120, Melville	85 (11,336)	100.00%			(11,422)
<i>EQUITY INTERESTS (10% to 50%)</i>					
Pass Pass la cam Productions 231 rue Saint Honoré - 75001 Paris	14,200	40.00%	5,680		
SCI Les Studios de Paris 20 rue Ampère - 93200 St-Denis	9,825,000	40.00%	6,045,938		
Elzevir Films 14 rue Drouot 75009 Paris	67,424 3,847,963	28.81%	499,998 499,998		1,098,644 27,396

BREAKDOWN OF PREPAID EXPENSES AND DEFERRED INCOME

On March 31, 2021

PREPAID EXPENSES	187,876
48600000 CCA FRAIS SOCIETE ("Prepaid Expenses Company")	184,852
4866xxx CCA FILMS ("Prepaid Expenses Company")	3,024
DEFERRED INCOME	(942,314)
487xxxxx PCA FRAIS SOCIETE ("Deferred Income Company")	(15,939)
487xxxxx PCA FILMS ("Deferred Income Company")	(926,375)
TOTAL OF PREPAID EXPENSES AND DEFERRED INCOME	(754,438)

APPENDIX 3 – STATUTORY AUDITORS’ REPORT ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

To the General Meeting of EuropaCorp,

1. Opinion

Pursuant to the mission entrusted to us by your General Meeting, we conducted the audit of the financial statements of EuropaCorp for the financial year ended on March 31, 2021 as attached to this report.

In our opinion, the annual financial statements give a true and fair view of the results of the operations of the company for the financial year ended in accordance with the French rules and accounting principles.

The opinion provided above is consistent with the content of our report to the Audit Committee.

2. Basis of our opinion

Audit standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that the items we have collected form a sufficient and appropriate basis for our opinion.

Our responsibilities under these standards are set out under the section “Responsibilities of the Statutory Auditors with respect to the audit of the annual financial statements” of this report.

Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and in the Statutory Auditors’ code of ethics for the period from April 1, 2020 to the date of issuance of our report, and we specifically did not provide any services prohibited by Article 5, paragraph 1 of Regulation (EU) No. 537/2014

3. Justification of our assessments – Key points of the audit

The global crisis related to the Covid-19 pandemic created special conditions for the preparation and audit of the financial statements for this financial year. Indeed, this crisis and the exceptional measures taken within the framework of the state of health emergency entailed multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainties on their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and on the way audits have been carried out.

It is in this complex and changing context that, pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most important for the audit of the financial statements for the year, as well as the responses we have provided to these risks.

The assessments thus made are part of our audit of the annual financial statements, taken as a whole, approved as previously stated, and therefore contributed to the formation of our opinion expressed

above. We do not express an opinion on the elements of the financial statements considered individually.

Recognition of Television and International Sales revenue

(Note 11 of the appendix to annual financial statements)

Risk identified

As mentioned in Note 11 of the appendix to the annual financial statements, the accrual of production receipts is different whether the receipts come from the sale of TV exploitation rights to pay or free French TV channels or whether they come from multi-rights contracts granting the exploitation rights for a whole territory, with minimum guarantees.

We decided to consider the accrual of revenue recognition as a key element of our audit due to its importance in the company's accounts.

Our answer

We reviewed the internal control procedures implemented and tested the main controls in place for revenue recognition. On a sampling of TV and International sales contracts deemed significant due to their financial impact:

- We compared the contract data with the management and accounting data;
- We ensured that the revenue recognition principles were applied;
- We assessed the match between the revenue and the right financial year.

We also implemented substantial controls on a sampling of trade receivables and invoices to be created to assess Management's estimates.

Valuation of film and audiovisual rights

(Note 3.5 of the appendix to annual financial statements)

Risk identified

On March 31, 2021, the films and audiovisual works produced, distributed or being produced by EuropaCorp consisted of intangible fixed assets in the net amount of €25 million.

As mentioned in Note 3.5 of the appendix to the annual financial statements, film and audiovisual works are amortized using the estimated revenue method. This method consists in applying to the cost of the film the ratio resulting from the comparison between the net revenue earned and the total net projected revenue for a period of 12 years maximum.

The estimate of net projected revenue is reviewed by management and adjusted, if required, based on contracts signed or planned, on the report by the independent expert appointed by the company for international territories, or on the evolution of the audiovisual market.

We therefore consider the assessment of films and audiovisual rights as a key point of the audit due to (i) their significance for the Group's financial statements, and (ii) the judgments required to determine their recoverable value.

Our answer

Our audit method consisted in verifying, on the basis of a sample of films, that the use of these estimates did not result in an over-estimation or under-estimation of the net book value of these

intangible assets.

Our work consisted in:

- Analyzing compliance with the accounting standards in effect and the continued use of the amortization method applied by the company and in verifying the correct implementation of the amortization calculation rule;
- Reconciling (i) the amount of net revenue acquired with the management data, and (ii) the amount of revenue estimated by the experts with the estimated future revenue retained;
- Assessing the consistency of revenue estimates with revenue for the period, historical results and sales agreements already signed or in the process of being finalized.

Lastly, we verified the appropriate nature of the information provided in the notes to the financial statements.

Valuation and depreciation of equity holdings

(Note 5 of the appendix to annual financial statements)

Risk identified

As of March, 31, 2021, EuropaCorp held significant equity interests in different French and foreign companies for a net total amount of €21.1 million. Those assets are entered into the accounts at their acquisition price the day they are purchased, and depreciated following their value in use.

The determination of their value in use is the result of an analysis of the company, or of a comparison with the share of equity owned in the subsidiary at stakes, or of the discounted future cash flows method.

We deemed that the valuation of the equity holdings is a key element of the audit because of their importance in the company's accounts and of the required assessment for their valuation.

Our answer

To assess the estimates of the value in use of the equity holdings, based on the information we were given, we mainly checked the Management's justification of the valuation method used and the figures on which it conducted the valuation. As part of our work we also:

- Analyzed the evolution of the share of equity in the subsidiaries, compared to the historical value of equity;
- Obtained the forecasts of the operations of the companies involved and assessed their coherence with the historical data;
- Checked the financial information communicated in the appendix of the accounts.

4. Specific verifications

In accordance with the professional standards applicable in France, we also carried out the specific verification required by laws and regulations.

Information given in the management report and other documentation for shareholders on the annual financial situation and the financial statements

We have no matters to report as to the fair presentation and the consistency of the information given in the Board of Directors' management report and in the other documents for the shareholders concerning the financial situation and the annual financial statements.

We hereby certify the truthfulness and consistency with the annual financial statements of the

information regarding the payment terms mentioned in Article D. 441-6 of the French Commercial Code.

Report on corporate governance

We confirm that the Board of Directors' report on corporate governance states the information required under Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

As to the information given in compliance with Article L.22-10-9 of the French Commercial Code about compensation and benefits of corporate officers and commitments paid or granted to them, we checked its compliance with the accounts or the data the accounts come from and, if applicable, with the data the company obtained from the companies controlled by it that are included in the scope of consolidation. On this ground, we confirm the accuracy and truthfulness of the information.

As to the information relating to items that your company considers likely to have an impact in the event of a takeover bid or public exchange offer, provided in application of the provisions of Article L.22-10-11 of the French Commercial Code, we have verified their conformity with their source documents, which were provided to us. Based on this work, we have no comments to make regarding this information.

Other information

In accordance with the law, we verified that all information regarding the identity of parties holding share capital or voting rights was communicated to you in the management report.

5. Other verifications or information required by law and regulations

Presentation format of the annual financial statements intended to be included in the annual financial report

In accordance with III of Article 222-3 of the AMF General Regulation, the management of your company has informed us of its decision to postpone the application of the single electronic reporting format, as defined by Delegated Regulation (EU) No. 2019/815 of December 17, 2018, to financial years beginning on or after January 1, 2021. Consequently, this report does not contain any conclusions on compliance with this format in the presentation of the annual financial statements intended to be included in the annual financial report mentioned in section I of Article L.451-1-2 of the French Monetary and Financial Code.

Appointment of the Statutory Auditors

We were appointed as auditors for EuropaCorp by the General Meeting of September 28, 2020 in the case of Auditeurs et Conseil Associés – ACA Nexia and by the General Meeting of September 27, 2019 in the case of Acofex.

As of March 31, 2021, the firm ACA Nexia was in its seventh consecutive year of service and Acofex in its second year.

6. Responsibilities of management and those charged with corporate governance for the financial statements

It is the responsibility of management to prepare financial statements presenting a true picture, in accordance with the French rules and accounting principles, and to implement the internal controls it deems necessary for the preparation of financial statements containing no material misstatements

resulting either from fraud or errors.

At the time the financial statements are prepared, it is the responsibility of management to assess the ability of the company to continue its operations, to present in its financial statements, if required, the information necessary for continued operations and to implement the going concern principle unless plans have been made to liquidate the company or cease its operations.

It is the responsibility of the audit committee to monitor the preparation of the financial information and to track the effectiveness of internal control and risk management systems as well as, in the event of an internal audit, the procedures related to the preparation and processing of the accounting and financial information.

The financial statements have been approved by the Board of Directors.

7. Responsibilities of the Statutory Auditors with respect to the audit of the financial statements

Audit objective and process

It is our responsibility to prepare a report on the financial statements. Our goal is to obtain reasonable assurance that the financial statements considered overall do not contain any material misstatements. Reasonable assurance reflects a high level of confidence without, however, guaranteeing that an audit conducted in accordance with professional standards will ensure the consistent identification of material misstatements. Misstatements can result from fraud or errors. They are considered to be significant when it can be reasonably expected that they will, taken individually or together, impact the financial decisions the users of the financial statements take based on them.

As stated in Article L.823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist in guaranteeing the viability or quality of the management of your company.

As part of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditors exercise their professional judgment throughout the audit process. In addition:

- They identify and assess the risk that the financial statements contain material misstatements whether they are the result of fraud or errors, define and implement audit procedures to address the risks and collect the information they believe is sufficient and appropriate to found their opinion. The risk of non-identification of a significant misstatement resulting from fraud is greater than that of a significant misstatement resulting from an error given that fraud can imply collusion, falsification, voluntary omissions, false statements and the bypassing of internal controls;
- They review the internal control system relevant to the audit in order to define the appropriate audit procedures for the circumstances and not for the purpose of expressing an opinion on the effectiveness of internal control;
- They assess the suitability of the accounting methods used and the reasonable nature of the accounting estimates made by management and the information about them provided in the financial statements;
- They assess the suitability of the application by management of the going concern principle and, based on the information collected, whether or not there is significant uncertainty related to events or circumstances with the potential to negatively impact the ability of the Company to continue operating. The assessment is based on all of the information collected up to the time of the report, being noted that subsequent circumstances or events may prevent the Company from continuing to operate. If they conclude that there is significant uncertainty, they will draw the attention of the readers of their report to the information provided in the

- financial statements regarding the uncertainty or, if the information is not provided or not relevant, they will issue a qualified opinion or refuse certification;
- They assess the overall presentation of the financial statements and assess whether the financial statements reflect underlying operations and events in a way that provides a truthful picture.

Report to the audit committee

We hereby submit a report to the audit committee which presents the extent of the audit work done and the program implemented as well as the conclusions of our work. We also inform the committee, if applicable, of any significant weaknesses in internal control which we identified with respect to the procedures used to prepare and process the accounting and financial information.

The information provided in the report to the audit committee includes the risks of significant misstatements which we believe are most significant for the audit of the annual financial statements for the financial year and which are, therefore, key points of the audit. These points are described in this report.

We have also provided to the Audit Committee the statement required by Article 6 of Regulation (EU) no. 537-2014 confirming our independence, within the meaning of the rules applicable in France as defined by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of ethics for Statutory Auditors. If need be, we will meet with the audit committee to discuss any threats to our independence and the safeguard measures applied.

Paris and Vincennes, July 22, 2021

The Statutory Auditors

Auditeurs & Conseils Associés

ACA Nexia

represented by

Eric Chapus

Premier Monde

represented by

Bruno Malivoire

**APPENDIX 4 – FINANCIAL SUMMARY AND OTHER COMPANY INFORMATION
FOR THE LAST FIVE FINANCIAL YEARS (IN EUROS) AS PER FRENCH
ACCOUNTING STANDARDS**

Type of information	2021	2020	2019	2018	2017
<u>I. Share capital at the end of the financial year</u>					
- share capital	41,514,759	13,932,353	13,932,353	13,932,353	13,932,353
- number of existing ordinary shares	122,102,231	40,977,509	40,977,509	40,977,509	40,977,509
- number of existing preferred shares		0	0	0	0
- maximum number of future shares:					
<i>through the conversion of bonds</i>		0	0	0	0
<i>through the exercise of subscription rights</i>		0	0	0	0
<i>through the exercise of share warrants</i>		0	0	0	0
<u>II. Operations and net income for the financial year</u>					
- revenue excluding taxes	32,428,755	49,278,329	97,722,014	75,888,422	90,100,768
- revenue before tax, profit-sharing, and amortization and provision charges	(50,351,146)	(42,016,028)	33,150,406	7,979,451	32,333,103
- income tax	(562,694)	(460,015)	(5,645,719)	(13,329,909)	(881,378)
- profit sharing for the financial year					(33,926)
- profit (loss) after tax, profit-sharing, and amortization and provision charges	(60,573,546)	(209,056,560)	(64,499,221)	(70,474,618)	(33,833,956)
- distributed income		0	0	0	0
<u>III. Profit (loss) per share (excluding potential dilution)</u>					
- profit (loss) after tax, profit-sharing, but before amortization and provision charges	-0	-1	1	1	1
- profit (loss) after tax, profit-sharing, and amortization and provision charges	0	-5	-2	-2	-1
- dividend per share	0	0	0	0	0
<u>IV. Staff</u>					
- average permanent headcount during the financial year	31	31	38	62	66
- payroll for the financial year	2,621,722	2,106,666	5,490,296	12,885,669	12,901,592
- amounts paid as social security benefits during the financial year (government and corporate welfare benefits, etc.)	1,167,862	928,061	2,265,273	5,029,174	5,009,873

APPENDIX 5 - CROSS-REFERENCE TABLE

This Registration Document contains all the elements of the EuropaCorp management report, as required by Articles L.225-100 *et seq*, L.232-1 II and R.225-102 of the French Commercial Code. It also contains the disclosures contained in the annual financial report referred to in Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulations, as well as the schedule of fees paid to the Company's Statutory Auditors, as referred to in Articles 222-7 and 222-8 of the AMF General Regulations.

To facilitate the reading of the management report and the annual financial report mentioned above, the cross-reference table below can be used to identify the different section headings. The cross-reference table also mentions the other reports prepared by the Board of Directors and auditors, and includes the schedule of fees paid to the Company's Statutory Auditors.

No.	Information	Reference
I	Management report	
1	Location and activities of EuropaCorp and EuropaCorp Group during the financial year and, if applicable, its subsidiaries and the companies it controls	Section 5 Sections 7.1 and 7.4 Section 18.7
2	Changes to the method of presentation of the financial statements or valuation methods used in previous years	Note 2 of Appendix 1
3	Results of operations of EuropaCorp and EuropaCorp Group, its subsidiaries and the companies it controls	Sections 7.1 and 7.4 Appendix 1
4	Financial key performance indicators for EuropaCorp and EuropaCorp Group	Section 7
5	Environmental and social key performance indicators	Section 5.7.4 Section 15
6	Analysis of the business, earnings and financial position of EuropaCorp and EuropaCorp Group	Sections 7.2, 7.4 and 18.7
7	Progress made or difficulties encountered by EuropaCorp and EuropaCorp Group	Sections 7.4 and 18.7 Appendix 1
8	Description of the main risks and uncertainties faced by EuropaCorp and EuropaCorp Group (including the exposure of EuropaCorp and EuropaCorp Group to financial risks)	Section 3
9	Guidance on the use of financial instruments and objectives and policies of EuropaCorp and EuropaCorp Group in terms of financial risk management	Sections 3 and 8
10	Significant events since the reporting date for EuropaCorp and EuropaCorp Group	Note 5.5 of Appendix 1
11	Foreseeable development and outlook for EuropaCorp and EuropaCorp Group	Section 5.4 Sections 10 and 11 Section 18.7
12	Group cash and debt	Section 8
13	Research and development activities of EuropaCorp and EuropaCorp Group	Section 7.1.2
14	List of positions and terms of office held by each corporate officer during the past financial year	Section 12.1
15	Total compensation and benefits in kind paid to each corporate officer during the	Sections 13 and 17

No.	Information	Reference
	past financial year ¹⁴	
16	Executive share ownership commitment	Section 16.1
17	Commitments of any kind made by EuropaCorp and EuropaCorp Group to their corporate officers, corresponding to compensation, indemnities or benefits payable or likely to be payable upon taking, leaving or changing office or subsequent thereto	Section 13
18	Transactions carried out by executives in EuropaCorp securities	Sections 12.1 and 16.1
19	Information on the workforce	Section 15
20	Status of employee profit sharing in the share capital	Section 15.3
21	Environmental information	Section 5.7.4
22	Information on the risk prevention policy for technological accidents, EuropaCorp's ability to cover its third-party liability for property damage and personal injury arising from classified facilities, and resources set aside for victim compensation in the event of technological accident for which liability attaches to EuropaCorp	<i>Not applicable</i>
23	Holdings acquired in companies whose headquarters are in France and accounting for over one-twentieth, one-tenth, one-fifth, one-third or one-half of the share capital or voting rights of those companies	Section 6.1 and Note 1 of Appendix 1
24	Share disposals arising from the regularization of reciprocal shareholdings	<i>Not applicable</i>
25	Individuals or legal entities directly or indirectly holding more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the share capital or voting rights at EuropaCorp General Meetings ¹⁵	Sections 16.1 and 16.3
26	Penalties or fines for anti-competitive practices ¹⁶	<i>Not applicable</i>
27	<p>Factors likely to have an impact in the event of a public offer:</p> <p>Structure of EuropaCorp's capital;</p> <p>Restrictions on exercising voting rights and transferring shares provided for in the Articles of Association – Clauses of agreements brought to the notice of EuropaCorp under Article L.233-11 of the French Commercial Code;</p> <p>Direct or indirect equity interests in EuropaCorp that exist to its knowledge pursuant to Articles L.233-7 and L.233-12 of the French Commercial Code;</p> <p>List of owners of any securities containing any special rights of control and description of these;</p> <p>Control mechanisms envisaged by employee share-ownership schemes, if any, where employees do not exercise control themselves;</p> <p>Shareholder agreements known to EuropaCorp and that could lead to restrictions</p>	<p>Sections 16.1 and 19.1</p> <p><i>Not applicable</i></p> <p>Sections 16.1 and 16.3</p> <p>Section 16.1</p> <p><i>Not applicable</i></p>

¹⁴ This includes the compensation and benefits awarded by EuropaCorp and its subsidiaries, including equity securities, debt securities or securities giving access to the share capital. A distinction should be made between the fixed, variable and exceptional elements comprising compensation and benefits, as well as the criteria by which they are calculated or the circumstances under which they were established. This also applies to the share ownership requirement for executives who receive stock options or free shares.

¹⁵ This information also includes, where applicable, the percentage of treasury shares held by the Company.

¹⁶ Only if the French Competition Council requires its inclusion in the management report as an additional measure.

No.	Information	Reference
	<p>on the transfer of shares or the exercise of voting rights;</p> <p>Rules governing the appointment and replacement of members of the Board of Directors and amendment of the Articles of Association of EuropaCorp;</p> <p>Powers of the Board of Directors, particularly to issue or buy back shares;</p> <p>Agreements entered into by EuropaCorp that are amended or terminate upon a change in control¹⁷;</p> <p>Agreements to compensate members of the Board of Directors or employees if they resign or are unfairly dismissed, or if their employment is terminated due to a public offer</p>	<p>Sections 16.1 and 16.3</p> <p>Section 14 Section 19.2</p> <p>Section 19</p> <p>Sections 16.1 and 16.3</p> <p><i>Not applicable</i></p>
28	EuropaCorp senior management model	Sections 14.6.1 and 19.2
29	Information on share buyback programs ¹⁸	Section 19.1
30	Calculations and results of the adjustment of securities giving access to the share capital	<i>Not applicable</i>
31	Summary of extant delegations of power to increase the share capital	Section 19.1
32	Financial summary for EuropaCorp and EuropaCorp Group over the past five financial years	Appendix 4
33	Amount of dividends paid out over the past three financial years ¹⁹	Section 18.5
34	Amount of sumptuary expenses and the corresponding tax	<i>Not applicable</i>
35	Adjustments made to taxable income by the authorities to reflect certain financial expenses under Article 39-5 of the French General Tax Code	<i>Not applicable</i>
36	Information on supplier payment times	Note 3.14 of Appendix 1
II	Annual financial report	
1	Annual financial statements	Appendices 2 and 3
2	Consolidated financial statements	Section 18.1, Appendix 1
3	Statutory Auditors' report on the separate financial statements	Appendix 3
4	Statutory Auditors' report on the consolidated financial statements	Section 18.1
5	<p>Management report containing as a minimum the disclosures referred to in Articles L.225-100, L.225-100-2, L.225-100-3 and L.225-211 paragraph 2 of the French Commercial Code</p> <p>Declaration of persons responsible for the management report and the annual financial report</p>	<p>See management report referred to in Section I above</p> <p>Section 1</p>

¹⁷ Unless this disclosure, except where legally required, would seriously harm EuropaCorp's interests.

¹⁸ This information includes the average buying and selling price, the amount of brokerage fees, the number of shares registered in EuropaCorp's name at the end of the financial year and their value based on the purchase price as well as their par value, the reasons for the purchases and the percentage of the share capital they represent.

¹⁹ This information also includes the amount of distributed income eligible for the allowance, as well as the amount that is ineligible, broken down by share class.

No.	Information	Reference
6	Statutory Auditors' fees	Note 5.6 of Appendix 1
III	Other reports	
1	Statutory Auditors' special report on regulated agreements	Section 17.2