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MEDIAWAN

Half-year financial report

2018

Half-year financial information summarized as of June 30, 2018.

The financial statements were approved by the Management Board at their meeting on September 26, 2018, and were subjected to a limited examination by the Statutory Auditors.

Summary of the consolidated half-year financial statements

Contents

1. Consolidated Income Statement

In € thousands	Notes	H1 2018	H1 2017
Revenues	8.1	**125 347**	**38 597**
Other products	8.2	**40 823**	**8 432**
Purchases and external expenses	8.3	(33 480)	(11 802)
Personnel expenses	8.4	(35 013)	(10 029)
Other expenses	8.5	(13 272)	(3 977)
Depreciation and provisions, net	8.6	(54 374)	(10 999)
Other depreciation (excl. audiovisual rights)	8.6	(1 901)	(980)
Other operating income and expenses	8.7	(4 654)	(6 371)
Amortization of assets recognized through bus. combinations	8.6	(10 661)	(6 967)
EBIT		**12 815**	**(4 096)**
Cost of net financial debt		(2 484)	(1 312)
Other financial income and expenses		4 634	(49)
Net financial income (expense)	8.8	**2 150**	**(1 361)**
Pre-tax income / (loss)		**14 965**	**(5 457)**
Current and deferred tax (expense) / benefit	8.9	(3 182)	(1)
Profit (loss) after tax		**11 783**	**(5 458)**
Income from equity affiliates		(37)	-
Income from activities held for sale or discontinued		-	-
Net income / (loss)		**11 746**	**(5 458)**
Net income / (loss), Group share		11 341	(5 767)
Minority interests		405	309
Basic earnings (loss) per share attributable to owners (in €)	8.10	0,399	(0,190)
Diluted earnings (loss) per share (in €)	8.10	0,385	(0,190)

Note: The H1 2017 data were reprocessed, as described in Note 8.12 in the appendices to the consolidated financial statements.

2. Consolidated Statement of Comprehensive Income

In € thousands	H1 2018	H1 2017
Net income / (loss)	**11 746**	**(5 458)**
Other items that will not be reclassified to profit or loss	324	
Other items that may be reclassified to profit or loss		
Comprehensive income (expense) for the period	**12 070**	**(5 458)**
- Attributable to owners of the Company	11 665	(5 767)
- Attributable to non-controlling interests	405	309

Note: The H1 2017 data were reprocessed, as described in Note 8.12 in the appendices to the consolidated financial statements.

3. Consolidated Financial Position

In € thousands		30-june-18	31-dec-17
Intangible assets	9.1	319 636	209 378
Goodwill	9.2	180 078	96 401
Property, plant and equipment	9.3	19 721	18 462
Other non-current financial assets	9.4	829	2 144
Deferred tax assets	9.7	12 288	2 390
Non-current assets		**532 552**	**328 777**
Inventories and work-in-progress		1 604	2 008
Trade receivables	9.5	91 639	46 938
Other receivables	9.6	50 441	14 903
Current tax receivables		3 494	1 094
Cash and cash equivalents	9.11	60 535	82 478
Current assets		**207 714**	**147 422**
Total assets		**740 266**	**476 198**
Share capital		293	284
Share premium		226 442	216 181
Treasury shares		(43)	(65)
Other reserves		(37 909)	209
Retained earnings (deficit)		3 844	(7 497)
Equity attributable to owners of the Company		**192 627**	**209 113**
Equity attributable to non-controlling interests		**674**	**597**
Equity	9.8	**193 301**	**209 710**
Long-term borrowings and other non-current fin. liab.	9.11	147 219	95 080
Other financial liabilities	9.12	47 148	-
Employee benefit obligations	9.10	3 477	3 113
Long-term provisions	9.10	6 135	7 947
Deferred tax liabilities	9.7	43 979	42 216
Non-current liabilities		**247 958**	**148 355**
Short-term borrowings and other current fin. liab.	9.11	58 238	15 949
Short-term provisions	9.10	375	365
Trade and other operating payables	9.9	125 805	76 431
Other payables and accrued expenses	9.9	112 690	23 177
Current tax liabilities		1 901	2 212
Current liabilities		**299 007**	**118 133**
Total Equity and liabilities		**740 266**	**476 198**

4. Consolidated Variation of Equity

In € thousands	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings (deficit)	Autres réserves	Equity attribut. to owners of the Company	Non-control. interests	Total equity
Balance at January 1, 2018	**284**	**216 181**	**(65)**	**209**	**(7 497)**	**(7 288)**	**209 113**	**597**	**209 710**
IFRS 15 impact	-	-	-	1 643	-	1 643	1 643	-	1 643
Restated balance at January 1, 2018	**284**	**216 181**	**(65)**	**1 852**	**(7 497)**	**(5 645)**	**210 756**	**597**	**211 353**
Total income (expense) for the period	-	-	-	-	11 341	11 341	11 341	405	11 746
Capital increase / (reduction)	9	10 261	-	-	-	-	10 270	-	10 270
Change in treasury shares	-	-	22	-	-	-	22	-	22
Share-based payment	-	-	-	214	-	214	214	-	214
Put options on minority interests	-	-	-	(40 569)	-	(40 569)	(40 569)	(6 578)	(47 148)
Other variations	-	-	-	595	-	595	595	6 251	6 845
Balance at June 30, 2018	**293**	**226 442**	**(43)**	**(37 909)**	**3 844**	**(34 065)**	**192 627**	**674**	**193 301**
Balance at January 1, 2017	**313**	**244 634**	**-**	**-**	**(661)**	**(661)**	**244 285**	**-**	**244 285**
Total income (expense) for the period	-	-	-	-	(5 767)	(5 767)	(5 767)	309	(5 458)
Capital increase / (reduction)	(28)	(28 453)	-	-	-	-	(28 481)	-	(28 481)
Change in treasury shares	-	-	(172)	-	-	-	(172)	-	(172)
Share-based payment	-	-	-	-	-	-	-	-	-
Other variations	-	-	-	321	-	321	321	(309)	12
Balance at June 30, 2017	**284**	**216 181**	**(172)**	**321**	**(6 429)**	**(6 108)**	**210 186**	**(0)**	**210 186**

Note: The H1 2017 data were reprocessed, as described in Note 8.12 in the appendices to the consolidated financial statements.

5. Table of Consolidated Cash Flow

In € thousands		H1 2018	H1 2017
Profit (loss) for the period		11 746	(5 458)
Elimination of the result of the equity method		37	-
Elimination of depreciation, amortization and provisions		66 569	19 207
Revaluation of equity investments		(3 490)	-
Elimination of depreciation, amortization and provisions		973	1
Elimination of dividends		(3)	-
Charges from share based payment		225	-
Cash flows from (used in) operations after finance costs, net, and income tax		**76 056**	**13 750**
Elimination of income tax expense (benefit)	8.9	3 182	1
Elimination of finance costs, net	8.8	2 644	1 312
Cash flows from (used in) operations before finance costs, net, and income tax		**81 882**	**15 063**
Impact of change in inventories		1 278	703
Impact of change in receivables		11	238
Impact of change in payables		(12 522)	(14 872)
Income tax paid		(8 795)	(8 413)
Net cash generated from (used in) operating activities		**61 855**	**(7 280)**
Impact of changes in scope of consolidation	6.3	(82 569)	(229 772)
Acq. of property, plant and equip. and intangible assets	9.1 / 9.3 / 9.9	(56 325)	(7 533)
Acquisitions of financial assets		-	(2)
Change in outstanding loans and advances		(92)	296
Proceeds from sale of property, plant and equipment and intangible assets		58	3
Financial assets disposals		955	-
Dividends received		3	-
Net cash generated from (used in) investing activities		**(137 970)**	**(237 008)**
Capital increase (reduction)	4	10 270	(28 481)
Net proceeds from sale (net payments for purchases) of treasury shares	4	22	(172)
Increase in financial debt	9.11	45 212	125 812
Decrease in financial debt	9.11	(4 495)	-
Net interest paid		(1 858)	(478)
Production credits	9.11	(1 927)	-
Net cash generated from (used in) financing activities		**47 224**	**96 681**
Net increase (decrease) in cash and cash equivalents		**(28 892)**	**(147 607)**
Net cash and cash equivalents at beginning of period	9.11	82 415	250 664
Net cash and cash equivalents at period-end	9.11	53 523	103 057

Note: The H1 2017 data were reprocessed, as described in Note 8.12 in the appendices to the consolidated financial statements.

6. Mediawan Group

6.1. Activities of the Group

In December 2015, Mediawan was formed as a special purpose acquisition company (SPAC) by Pierre-Antoine Capton, Xavier Niel, and Matthieu Pigasse. The company then raised 250,000 thousands euros through its initial public offering on the regulated Euronext market in Paris. Since March 2017, Mediawan has made seven strategic acquisitions, thus creating a new independent player in the audiovisual content market, with a leading position in Europe. The Group operates in four market segments: production of original fiction and documentary content, usage of animation brands, distribution of audiovisual content, and publishing of digital services and channels.

6.2. Seasonality of business

Mediawan would like to remind readers of this report that its revenues and income are tied, in particular, to the number of audiovisual programs released and the schedule of said releases, as well as the structure of financing for its works. These items may cause significant variations in income from one reporting period to another. Thus, the consolidated half-year income is not representative of future annual income.

6.3. Scope of consolidation

- **List of consolidated subsidiaries as of June 30, 2018**

Companies	Countries	Number of shares	Number of shares owned	% of voting rights	% of interest	Method
Mediawan (SA)	France	-	-	-	-	Parent company
TopCo 1 (SAS)	France	1,000	1,000	100.0%	100.0%	FC
TopCo 2 (SNC)	France	3,144,601	3,144,601	100.0%	100.0%	FC
Wannabe (SAS)	France	61,640,230	61,640,230	100.0%	100.0%	FC
Groupe AB (SAS)	France	462,686,567	462,686,567	100.0%	100.0%	FC
CC&C (SAS)	France	4,500	3,600	80.0%	80.0%	FC
Edition du Lagon (SAS)	France	100	80	80.0%	80.0%	FC
AB Télévision (SAS)	France	1,882,911	1,882,911	100.0%	100.0%	FC
EGO Productions (SAS)	France	1,063	1,063	100.0%	100.0%	FC
Auteurs Associés (SAS)	France	1,474	1,474	100.0%	100.0%	FC
AB Productions (SAS)	France	278,832	278,832	100.0%	100.0%	FC
AB Droits Audiovisuels (SAS)	France	174,605	174,605	100.0%	100.0%	FC
AB Thématiques (SAS)	France	1,579,901	1,579,901	100.0%	100.0%	FC
AB LP (SASU)	France	2,000	2,000	100.0%	100.0%	FC
AB Entertainment SA	Lux.	1600	1600	100.0%	100.0%	FC
RTL9 SA	Lux.	1,000	1,000	100.0%	100.0%	FC
RTL9 SA & Cie SECS	Lux.	30,690	30,690	100.0%	100.0%	FC
RTL Shopping SA & Cie	Lux.	1,250	1,250	100.0%	100.0%	FC
ON Entertainment SAS	**France**	**4,274,547**	**2,194,933**	**51.35%**	**50.19%**	**FC**
Method Animation SAS	France	1,765	1,765	100.0%	100.0%	FC
ON Animation Studio Montreal	Canada	1,000	1,000	100.0%	100.0%	FC
Onyx Films SAS	France	1,307	1,307	100.0%	100.0%	FC
Onyx Lux Sàrl	Lux.	126	126	100.0%	100.0%	FC
Little Princess SARL	France	45,000	45,000	100.0%	100.0%	FC
Upside Down SAS	France	1,000	1,000	100.0%	100.0%	FC

2.9 Film Holding Ltd	UK	1,000	2,000	50.0%	66.66%	FC
2.9 Film Distribution	UK	1	1	100.0%	100.0%	FC
Chapter 2 SARL	France	45,000	45,000	100.0%	100.0%	FC
Chapter II America	USA	1,000	1,000	100.0%	100.0%	FC
ON US	USA	1,000	1,000	100.0%	100.0%	FC
ON SARL	France	1,307	1,307	100.0%	100.0%	FC
Methonyx SARL	France	100	100	100.0%	100.0%	FC
LPP TV SAS	France	37,000	18,500	50.0%	50.0%	FC
LPPM SARL	France	200	100	50.0%	50.0%	FC
Norman Studios SAS	France	1,000	1,000	100.0%	100.0%	FC
LP Animation SARL	France	1,000	1,000	100.0%	100.0%	FC
ON Brand & Licensing SAS	France	10,000	10,000	100.0%	100.0%	FC
MDWan Fiction (SAS)	**France**	**4,040,000**	**4,040,000**	**100.0%**	**100.0%**	**FC**
Storia (SAS)	**France**	**2,217,935**	**1,774,348**	**80.0%**	**80.0%**	**FC**
Makever (SAS)	**France**	**60,260**	**46,392**	**76.99%**	**76.99%**	**FC**
Alauda Films (SAS)	France	10,000	7,000	70.0%	70.0%	FC
Frenchkiss (SAS)	France	5,000	5,000	100.0%	100.0%	FC
JPG Films (SAS)	France	1,429	429	30.0%	30.0%	EM
Les Films de Télémaque (SAS)	France	45,000	45,000	100.0%	100.0%	FC
MakingProd (SAS)	France	10,000	10,000	100.0%	100.0%	FC
Mademoiselle Films (SAS)	France	10,000	10,000	100.0%	100.0%	FC
Vema Production (SAS)	France	2,500	2,500	100.0%	100.0%	FC
O'Hara et Cie (SAS)	France	10,000	10,000	100.0%	100.0%	FC
Scarlett Production (SAS)	France	500	500	100.0%	100.0%	FC

Lux.: Luxembourg; UK: United Kingdom; USA: United States of America

FC: Full consolidation; EM: Equity-method consolidation

- **Operations in the first half of 2018**

The main changes in scope that occurred during the first half of 2018 were the following:

- On January 2, 2018, creation of MDWan Fiction and Storia Télévision, wholly owned subsidiaries of Mediawan;
- On January 15, 2018, sale of 20% of the share capital of Storia Télévision to Mr. Thomas Anargyros, head of Storia Télévision;
- On January 15, 2018, acquisition of the television business of EuropaCorp (excluding US series) by Storia Télévision. The value of these changes is currently being allocated and allocation will be finalized in the second half of 2018. The residual goodwill will not be amortized; instead, it will be subject to a depreciation test at the time of closing of the annual financial statements.
- On March 15, 2018, acquisition of Makever, a production company for audiovisual fiction content, for 74.8% of its share capital, raised to 76.99% on May 3, 2018. The acquisition was made by MDWan Fiction, and Makever is consolidated in the financial statements of Mediawan starting from January 1, 2018. The value of these changes is currently being allocated and allocation will be finalized in the second half of 2018. The residual goodwill will not be amortized; instead, it will be subject to a depreciation test at the time of closing of the annual financial statements.

- On June 7, 2018, acquisition of ON Entertainment, a production company for audiovisual fiction and animated content, for 51.35% of its share capital. The acquisition was made by Mediawan, and ON Entertainment is consolidated in the financial statements of Mediawan starting from June 30, 2018. The value of these changes is currently being allocated and allocation will be finalized in the second half of 2018. The residual goodwill will not be amortized; instead, it will be subject to a depreciation test at the time of closing of the annual financial statements.

In the first half of 2018, these external growth transactions represented a net cash outflow of (82,569) thousands euros and preliminary goodwill amounting in total to 83,677 thousands euros.

7. Accounting rules and methods

7.1. General principles

The half-year financial statements as of June 30, 2018, were prepared in accordance with the IAS 34 "Interim Financial Reporting" standard. They do not include all of the information required for presenting annual financial statements in the appended notes. Thus, these condensed financial statements must be read in conjunction with the consolidated annual financial statements published for fiscal year 2017.

Starting January 1, 2018, following an examination of the presentation of the financial statements, Mediawan chose to present operating expenses on the consolidated income statement of the Group by nature and no longer by purpose. This presentation provides more reliable and relevant information for users of the financial statements and will be maintained to ensure comparability between reporting periods. The comparable information as of June 30, 2017, was also recategorized.

7.2. New applicable standards and interpretations

- **The new standards and/or amendments to IFRS standards adopted by the European Union, which must be applied as of January 1, 2018, are the following:**
  - IFRS 15 – Revenue from Contracts with Customers: the Group chose partial retroactive application of this standard. The effects and modalities of transition for application of IFRS 15 are presented in Note 7.3.
  - IFRS 9 – Financial Instruments: The Group chose simplified retroactive application. The IFRS 9 standard has been applied starting January 1, 2018, without reprocessing of prior reporting periods. The effects and modalities of transition for application of IFRS 9 are presented in Note 7.4.
  - IFRIC 22 – Foreign Currency Transactions and Advance Consideration: specifies the exchange rate to be used to record a transaction in foreign currency upon its initial accounting in the operating currency of the entity.

The other required standards for application in the European Union as of January 1, 2018, have no impact on the financial statements of the Group.

- **The following list of new standards and amendments published by the ASB on June 30, 2018, were adopted by the European Union, but are not required to be applied as of January 1, 2018:**
  - IFRS 16 – Leases. Any future impacts resulting from the application of this new standard are currently being analyzed by the Group.
  - Amendment to IFRS 9 – Clauses on early repayment providing for negative compensation.

- **Additionally, the new standards and amendments published by the ASB on June 30, 2018, not yet adopted by the European Union and which will apply after 2018, are the following:**
  - IFRIC 23 – Uncertainty over Income Tax Treatments.
  - Amendment to IAS 28 – Long-term investments in associates and joint ventures.
  - Amendment to IAS 19 – Modification, reduction, or liquidation of a benefit plan.
  - IFRS annual improvements – 2015-2017 cycle.

7.3. Initial application of the IFRS 15 standard

- **Preliminary comments**

The IFRS 15 standard is required to be applied as of January 1, 2018, and replaces the IAS 11 – Construction Contracts and IAS 18 – Revenue standards. The Group chose the partial retroactive method, according to which the comparable information is not reprocessed and the cumulative effect of initial application is presented as an adjustment to equity at the start of the fiscal year in which is it first applied.

As explained in Note 7.5 in the section “Consolidated financial statements as of December 31, 2017” of the 2017 annual financial report, the analysis of differences of principles for the financial statements of the Group related to application of the IFRS 15 standard was finalized in the first half of 2018 and did not result in the identification of significant impacts.

- **Presentation of the revenues, operating income, and EBITDA of the Group as of June 30, 2018, comparing them to the figures that would have resulted from applying the standards and interpretations previously applicable as of December 31, 2017**

In € thousands	H1 2018 IFRS15	H1 2018 IAS 18	Variation*
Revenues	125 347	117 419	(7 927)
EBIT	12 815	12 728	(87)
EBITDA	**30 031**	**29 944**	**(87)**

[*]: The calculation of the impact of applying the IFRS 15 standard on the revenue, operating income, and EBITDA excludes entities that were not consolidated as of December 31, 2017.

- **Rationale for methodology changes**

The recategorization performed in application of IFRS 15 is explained below:

Change in timing of recognition of revenues:

Identification of performance obligations for series “in installments” (i.e. presenting a story that stretches over a full season of episodes).

Series (historical and documentary, animated, other) are made up of episodes that are relatively distinct from one another. Each episode has its own usefulness for the customer (which can, for example, distribute/broadcast the episodes independently from one another).

According to the analysis performed, under IFRS 15, each episode thus has a distinct performance obligation. The revenues are to be recognized per ready-to-air medium for each episode and amortization must be calculated based on budgeted costs.

This is different from the practices under IAS 18, which had recognition of revenues mid-season or per ready-to-air medium/opening of rights for the latest episodes, for new acquisitions in 2018 only. However, the impact is not significant for the Group (the method for recognizing revenues per episode already having been applied for the scope of Groupe AB as of June 30, 2017).

Recognition of co-production contributions from broadcasters.

Co-production contracts with broadcasters establish that the contribution from the broadcaster for the funding of a film is made, on the one hand, through the acquisition of broadcasting rights (broadcast portion) and, on the other hand, through co-production investments (co-production portion).

Until the end of December 2017, co-production investments by broadcasters were accounted for as a deduction from production costs. According to our analyses, under IFRS 15, revenues must include the amount for both the broadcast portion and the co-production portion.

Indeed:

- The legal rights that the broadcaster receives provide, above all, protection. The broadcaster does not have a right of control over the work;
- The risks and benefits of the work to which the broadcaster is exposed do not enable the broadcaster to be considered a "partner" under IFRS 11;
- The co-production portion gives the broadcaster the right to receive a share of revenues from secondary sales. These sales are very uncertain and the amount of retrocession cannot be reliably determined at the start of a contract;

As the co-production portion will no longer come as a deduction from the value of the intangible fixed asset, the application of IFRS 15 also impacts upon the gross value of fixed assets and related depreciation and amortization.

7.4. Initial application of the IFRS 9 standard

The IFRS 9 standard, applied by the Group in its entirety, is subject to simplified retroactive application, effective January 1, 2018. Fiscal year 2017 was not reprocessed, as permitted by IFRS 9.

IFRS 9 introduces a depreciation model for financial assets that is based on expected losses, while the IAS 39 standard was based on a mode of realized losses (accounting for depreciation only after a credit event occurs: late payment, significant downgrading of a credit rating, etc.). The application of the IFRS 9 model results in moving forward the frequency of accounting for depreciation on financial assets valued on the balance sheet at their depreciated costs.

For non-current financial assets, depreciation was assessed individually, taking into account the profile of counterparty risk and existing guarantees.

For trade receivables, the Group used the simplified method, which involves provisioning expected losses over the residual maturity of the receivables. The amount of depreciation was assessed in a differentiated manner according to the activities and profiles of customers:

- Depreciation on an individual basis taking into account (i) the counterparty risk profile; (ii) historical probability of default; (iii) probability of default according to credit rating agencies; (iv) any credit insurance; and (v) the amount of estimated losses, in the case of receivables for which a credit event was identified.
- Depreciation on a collective basis using a depreciation schedule based on a statistical approach according to historical losses on unrecoverable receivables.

There were no impacts from the initial application of the depreciation portion of IFRS 9 as of January 1, 2018. As such, the equity of the Group as of January 1, 2018 was not reprocessed.

7.5. Preparation for application of the IFRS 16 standard

The IFRS 16 standard results in, for all leases, recognition on the balance sheet of the lessee of a right to usage of the leased assets in exchange for a rental debt made up of commitments for future rent payments. The consequences for the Group of initial application of this new standard are currently being analyzed. At this time, Mediawan does not anticipate any significant impacts from applying IFRS 16 on the evaluation of financial performance.

8. Notes on the consolidated income statement

8.1. Business segment information:

Starting January 1, 2018, the operational activities of Mediawan Group are performed within the four following branches of business:

- **Mediawan Originals** for original content production activities for fictional and documentary content;
- **Mediawan Animation** for production and usage activities for animated content;
- **Mediawan Rights** for distribution activities for audiovisual programs;
- **Mediawan Thematics** includes the publishing of channels and associated digital services;

In addition to the activities presented above is the "**corporate center**," which includes the support services and operating costs for the holding companies.

In € thousands	Originals	Animation	Rights	Thematics	Corporate Center	S1 2018
Revenues	**47 264**	**-**	**23 171**	**54 437**	**475**	**125 347**
EBITDA						**30 031**
Other depreciation (excl. audiovisual rights)						(1 901)
Other operating income and expenses						(4 654)
Amortization of assets recognized through bus. combinations						(10 661)
EBIT						**12 815**
Net financial income (expense)						2 150
Current and deferred tax (expense) / benefit						(3 182)
Income from equity affiliates						(37)
Net income / (loss)						**11 746**

In accordance with the IFRS 8 standard, and given the change of the operating sectors, the tables below present:

The key aggregates of the income statement for the six-month period that ended June 30, 2017:

In € thousands	Originals	Animation	Rights	Thematics	Corporate Center	S1 2017
Revenues	**4 603**	**-**	**6 745**	**27 240**	**9**	**38 597**
EBITDA						**10 222**
Other depreciation (excl. audiovisual rights)						(980)
Other operating income and expenses						(6 371)
Amortization of assets recognized through bus. combinations						(6 967)
EBIT						**(4 096)**

Note: The H1 2017 data were reprocessed, as described in Note 8.12 in the appendices to the consolidated financial statements.

For comparison, the H1 2017 revenue from the "Production & Distribution" business sector, as presented in the half-year financial report, was 11,348 thousands euros and was made up of the Mediawan Originals sector for 4,603 thousands euros and Mediawan Rights sector for 6,745 thousands euros. The revenue from the Mediawan Thematics sector corresponds to that from the "Channels and Digital" sector as presented in the 2017 half-year financial report.

The key aggregates of the pro forma income statement audited for the six-month period that ended June 30, 2017:

In € thousands	Originals	Animation	Rights	Thematics	Corporate Center	S1 2017
Revenues	**20 804**	**-**	**11 783**	**54 196**	**1**	**86 784**
EBITDA						**21 881**
Other depreciation (excl. audiovisual rights)						(1 901)
Other operating income and expenses						(5 643)
Amortization of assets recognized through bus. combinations						(6 967)
EBIT						**7 371**

Note: The H1 2017 data were reprocessed, as described in Note 8.12 in the appendices to the consolidated financial statements.

8.2. Other operating income

In € thousands	H1 2018	H1 2017
Capitalized costs	39 843	7 361
Ancillary revenues	980	1 071
Other products	**40 823**	**8 432**

Other operating income mainly includes production costs for programs capitalized as production fixed assets.

8.3. Purchases and other external expenses

In € thousands	H1 2018	H1 2017
Purchases	**(12 644)**	**(4 026)**
Subcontracting	(3 743)	(178)
Rents	(6 678)	(2 702)
Fees	(4 398)	(2 948)
Transport	(3 089)	(789)
Autres charges externes	(2 929)	(1 160)
External expenses	**(20 836)**	**(7 777)**
Puchases & external expenses	**(33 480)**	**(11 802)**

Note: The H1 2017 data were reprocessed, as described in Note 8.12 in the appendices to the consolidated financial statements.

8.4. Personnel costs

In € thousands	H1 2018	H1 2017
Remuneration	(23 561)	(6 798)
Social costs	(11 505)	(3 378)
Other personnel expenses	53	147
Personnel expenses	**(35 013)**	**(10 029)**

The category "Other personnel costs" includes the French "CICE" tax credit for competitiveness and employment.

However, the category excludes the non-cash impact of (i) the change in expenses incurred under plans for giving employees shares free of charge and (ii) the residual portion (considered to be related to post-acquisition services) of earnouts and of the fair value of commitments to acquire shares from minority shareholders. These items are accounted for as "Other operating income and expenses" and are detailed in 8.7.

8.5. Other operating expenses

In € thousands	H1 2018	H1 2017
Taxes	(2 640)	(664)
Royalties	(8 793)	(2 989)
Profit sharing	(277)	(231)
Others	(1 562)	(92)
Other expenses	**(13 272)**	**(3 977)**

8.6. Details of net amortization, depreciation, and provisions related to business, amortization excluding that for audiovisual distribution rights, and impairment of assets related to mergers and acquisitions

In € thousands	H1 2018	H1 2017
Depreciation related to audiovisual rights	(56 531)	(11 285)
Accruals of provisions	(1 244)	(72)
Depreciation & accruals of provisions	**(57 774)**	**(11 357)**
Reversals of depreciation	1 463	-
Reversals of provisions	1 938	358
Reversals of depreciation and provisions	**3 400**	**358**
Depreciation and provisions, net	**(54 374)**	**(10 999)**

Net depreciation, amortization, and provisions amounted to (54,374) thousands euros in the first half of 2018. As a reminder, the entirety of this category, which includes amortization of audiovisual distribution rights, is included in EBITDA, a key performance indicator tracked by Mediawan.

In € thousands	H1 2018	H1 2017
Intangible assets	(439)	(152)
Tangible assets	(1 461)	(828)
Other D&A (excluding rights)	**(1 901)**	**(980)**

In € thousands	H1 2018	H1 2017
Library	(9 987)	(4 947)
Broadcasting rights	-	
Other intangible assets	(1 554)	(1 911)
Intangible assets	**(11 541)**	**(6 858)**
Tangible assets	**(220)**	**(109)**
Reversals of contingent liabilities	**1 100**	**-**
Amortization of assets recognized through business combinations	**(10 661)**	**(6 967)**

Note: The H1 2017 data were reprocessed, as described in Note 8.12 in the appendices to the consolidated financial statements.

8.7. Other operating income and expenses

In € thousands	H1 2018	H1 2017
Fees stemming from M&A acquisitions	(2 010)	(7 921)
Non recurring commefcial indemnity	-	1 750
Severance payment	(1 600)	-
Share-based payment	(225)	-
Puts options / Earn-outs	(819)	(200)
Total other operating income and expense, net	**(4 654)**	**(6 371)**

Note: The H1 2017 data were reprocessed, as described in Note 8.12 in the appendices to the consolidated financial statements.

Mediawan chose to present certain operating income and expenses in a section entitled "Other operating income and expenses" with the goal of setting a level of operating performance that can be used for a forecasting approach to recurring performance through the key performance indicator of the company, EBITDA.

The category includes income or expenses that are (i) limited in number, unusual, and of particularly significant amounts, or (ii) related to accounting effects, without an impact on the cash flow of the Group, of items comparable to remuneration under the IFRS standards.

In particular, other operating income and expenses include:

- Fees related to external growth operations conducted or being conducted by the Group;
- A contract termination penalty for €1.8 M in the first half of 2017, recorded in the allocation of purchase price and amortized on the line "Impairment of assets related to mergers and acquisitions";
- Non-recurring employee severance pay, recorded following the departures of two managers of the Group;
- The accounting effects, without an impact on the cash flow of the Group, of (i) the change in expenses incurred under plans for giving employees shares free of charge and (ii) the residual portion (considered to be related to post-acquisition services) of earnouts and of the fair value of commitments to acquire shares from minority shareholders.

8.8. Financial income

In € thousands	H1 2018	H1 2017
Interest expense	(1 932)	(1 051)
Debt issuance costs	(551)	(271)
Income from cash equivalents	(1)	10
Cost of net financial debt	**(2 484)**	**(1 312)**
Depreciation of financial assets, net	454	-
Foreign exchange gains (losses)	49	(51)
Other products & financials charges	4 131	2
Other financial income and expenses	**4 634**	**(49)**
Net financial result	**2 150**	**(1 361)**

Active financial expenses are made up of costs for issuing loans. The negative effect on the income statement of the fair value of the interest rate swap, tied to the loan of (130,000) thousands euros, amounted to (161) thousand euros and was recorded among other financial income and expenses.

Other financial income and expenses also include the revaluation to fair value of the portion of ON Entertainment shares previously held by the Group.

8.9. Taxes

- **Breakdown of expenses or income from taxes**

In € thousands	H1 2018	H1 2017
Deferred taxes	1 050	3 701
Current taxes	(4 242)	(3 702)
Other Tax Credit	9	-
Corporate income tax	**(3 182)**	**(1)**

Note: The H1 2017 data were reprocessed, as described in Note 8.12 in the appendices to the consolidated financial statements.

- **Effective tax rate**

In € thousands (except for percentages)	H1 2018
Profit (loss) before tax	14 965
Standard income tax rate	34,43%
Income tax expense calculated using the standard rate	5 152
Impact of change in tax rates	-
Impact of differences in tax rates	(574)
Impact of consolidation entries	(571)
Tax refunds and adjustments	-
Gains on disposals	(271)
Impact of tax credits	(1 324)
Unrecognized tax loss carryforwards	564
Other	206
Effective income tax charge (benefit)	**3 182**

8.10. Earnings per share

In € thousands		H1 2018	H1 2017
Number of shares used to calculate basic earnings (loss) per share:			
Number of shares outstanding at the period-end	[A]	29 325 713	28 432 680
Weighted average number of shares outstanding during the period	[C]	28 443 527	30 347 260
Number of shares used to calculate non diluted / diluted earnings (loss) per share:			
Profit (loss)for the period attributable to owners of the Company	[B]	11 341	(5 767)
Weighted average number of ordinary shares (on a diluted basis):			
Weighted average number of shares outstanding during the period	[C]	28 443 527	30 347 260
Number of free shares		108 631	-
Number of "free shares" stemming from the exercice of warrants		893 754	-
Number of share equivalents	[D]	29 445 912	30 347 260
Earnings (loss) per share (in €)	[B] / [C]	**0,399**	**(0,190)**
Diluted earnings (loss) per share (in €)	[B] / [D]	**0,385**	**(0,190)**

"**Earnings per share (in €)**" are calculated by dividing the Group share of net income by the weighted average number of shares in circulation over the reporting period, minus Group-owned shares.

"**Diluted earnings per share (in €)**" are calculated by taking into account the number of shares that would have resulted from the exercise of all existing convertible securities as of the date of closing.

This number of share equivalents includes, in particular:

- The weighted average number over the reporting period of shares granted free of charge to Group leaders and employees (which was 108,631 shares in the first half of 2018);
- The weighted average number of shares from the conversion of stock warrants in circulation, assuming that the income in the reporting period for these warrants was allocated as share buybacks at the average stock price for the period in question (maximum dilution of 12,780,356 shares, reduced to 893,754 shares when taking into account the redemption price of €11.50 per share issued).

Over the first half of 2017, given the difference between the Mediawan share price as of June 30, 2017, and the stock warrant redemption price, the impact of potential dilution related to stock warrants was not taken into account to determine the number of share equivalents.

8.11. Reconciliation of operating income with EBITDA

EBITDA is the key performance indicator tracked by Mediawan from a purely analytical point of view. It corresponds to operating income before:

- allocations to impairment other than those for audiovisual distribution rights;
- allocations to impairment of the share of goodwill attributed to intangible and tangible fixed assets (following allocations of the purchase prices related to mergers and acquisitions);
- “other income” and “other expenses” as defined in Note 8.7 of this report.

It should be noted that (i) EBITDA, as defined by Mediawan, includes impairment of audiovisual distribution rights and that (ii) other companies may define and calculate EBITDA differently for analytical purposes. As such, this indicator may not be suitable for direct comparison to that of other companies.

In € thousands	H1 2018	H1 2017
EBIT	**12 815**	**(4 096)**
Amortization of assets recognized through bus. combinations*	10 661	6 967
Other operating income and expenses*	4 654	6 371
Other depreciation (excl. audiovisual rights)*	1 901	980
EBITDA	**30 031**	**10 222**

[*]: As presented on the consolidated income statement

Note: The H1 2017 data were reprocessed, as described in Note 8.12 in the appendices to the consolidated financial statements.

8.12. Reprocessing of the consolidated financial statements as of June 30, 2017

The half-year consolidated financial statements of Mediawan as of June 30, 2017, were reprocessed to take into account:

- The finalization in 2017 of the allocation of the purchase price (PPS) for Groupe AB;
- The reclassification of "other external purchases and expenses" to "other operating expenses" for the portion considered post-acquisition service compensation of an earnout for (200) thousands euros.

In € thousands	H1 2017*	PPA	Earn Out	H1 2017 Restated
Revenues	38 597	-	-	38 597
EBITDA	**10 022**	**-**	**200**	**10 222**
EBIT	2 872	(6 967)	-	(4 096)
Net income / (loss)	(890)	(4 568)		(5 458)
Net income / (loss), Group share	(1 199)	(4 568)	-	(5 767)

[*]: As presented in the Mediawan 2017 half-year financial report.

For comparison, the impact of this reprocessing on the key aggregates of the pro forma income statement audited for the six-month period that ended June 30, 2017, is presented below:

In € thousands	H1 2017*	Impact Pro Forma	PPA	Earn Out	H1 2017 Pro forma
Chiffres d'affaires	38 597	48 187	-	-	86 784
EBITDA	**10 022**	**11 459**	**-**	**400**	**21 881**
EBIT	2 872	11 466	(6 967)	-	7 371

[*]: As presented in the Mediawan 2017 half-year financial report.

9. Notes on the status of the consolidated financial position

9.1. Intangible fixed assets

In € thousands	31-dec-17	IFRS15	Acquisitions	Disposals	Amortiz./ impairment charge	Changes in scope of conso.	Reclass.	30-june-18
Catalogs	144 246	17 985	(2 529)	(6 745)	-	46 016	54 082	253 056
Broadcasting rights	40 471	-	10 494	(9 649)	-	-	2 090	43 407
Production-in-progress	16 712	-	38 492	(486)	-	80 945	(47 979)	87 684
Other	52 264	-	584	(49)	-	1 128	(528)	53 399
Total gross value	**253 694**	**17 985**	**47 042**	**(16 929)**	**-**	**128 089**	**7 665**	**437 546**
Catalogs	(26 394)	(15 478)	-	6 745	(54 442)	-	(5 041)	(94 611)
Broadcasting rights	(11 650)	-	-	9 634	(10 753)	-	(2 352)	(15 121)
Production-in-progress	(31)	-	-	-	9	-	-	(22)
Other	(6 240)	-	-	-	(1 861)	-	(54)	(8 155)
Amortiz. and impairment	**(44 315)**	**(15 478)**	**-**	**16 378**	**(67 046)**	**-**	**(7 448)**	**(117 909)**
Carrying amount	**209 378**	**2 507**	**47 042**	**(551)**	**(67 046)**	**128 089**	**217**	**319 636**

The impact of scope variations on the gross value of fixed assets is presented net of impairment.

9.2. Goodwill

In € thousands	31 dec 17	Newly conso companies	Deconso.	PPA	Impairment charge	30-june-18
Goodwill	96 401	83 677	-	-	-	180 078
Goodwill impairment	-	-	-	-	-	-
Carrying amount	**96 401**	**83 677**	**-**	**-**	**-**	**180 078**

The price of consolidated shares over the period amounted to a total of 89,337 thousands euros (including the shares of ON Entertainment already owned) for preliminary goodwill amounting to a total of 83,677 thousands euros, taking into account the net cumulative situation of entities acquired for 5,660 thousands euros.

The value of these changes is currently being allocated and allocation will be finalized in the second half of 2018.

9.3. Tangible fixed assets

In € thousands	31-dec-17	Acquisitions	Disposals	Depreciat. / impairment charge	Changes in scope of conso.	Reclass.	30-june-18
Land and buildings	12 769	66	-	-	-	36	12 871
Machinery and equipment	7 046	218	(3)	-	660	95	8 016
Other PPE	1 207	188	(64)	-	1 462	(18)	2 774
PPE under construction	137	355	-	-	-	(119)	373
Total gross value	**21 159**	**827**	**(67)**	**-**	**2 122**	**(7)**	**24 034**
Depreciation/impairment of buildings	(677)	-	-	(456)	-	-	(1 133)
Depreciation/impairment of machinery and equipment	(1 524)	-	3	(975)	-	2	(2 495)
Depreciation/impairment of other PPE	(495)	-	58	(252)	-	4	(686)
Accumulated depreciation an	**(2 696)**	**-**	**61**	**(1 682)**	**-**	**5**	**(4 313)**
Carrying amount	**18 462**	**827**	**(6)**	**(1 682)**	**2 122**	**(2)**	**19 721**

9.4. Financial assets

In € thousands	31-dec-17	Acquis.	Cessions	Reprises	Résultat	Changes in scope of conso.	Reclass.	30-june-18
Investments in non-consolidated companies	1 890	-	(1 479)	-	-	1 494	(1 890)	15
Loans, deposits and other receivables	293	370	(279)	-	-	552	-	937
Immobilisations financières	**2 183**	**370**	**(1 757)**	**-**	**-**	**2 046**	**(1 890)**	**953**
Equity affiliates	-	-	-	-	(37)	(32)	-	(69)
Impairment of invest. in non-consc	(39)	-	-	1	-	(15)	(1)	(54)
Total impairment	**(39)**	**-**	**-**	**1**	**(37)**	**(47)**	**(1)**	**(123)**
Carrying amount	**2 144**	**370**	**(1 757)**	**1**	**(37)**	**1 998**	**(1 891)**	**829**

Non-consolidated equity securities as of December 31, 2017, mainly corresponded to the stake owned in ON Entertainment, which no longer appears among financial assets as of June 30, 2018, following the acquisition of a majority stake and the consolidation of this company in the Mediawan consolidated financial statements.

9.5. Customer receivables

In € thousands	30-june-18	31-dec-17
Trade receivables	94 127	49 458
Allowances	(2 488)	(2 520)
Total trade receivables	**91 639**	**46 938**

9.6. Other sums owed

In € thousands	30-june-18	31-dec-17
Advances and prepayment	245	119
Receivables from suppliers	4 317	3 520
Social receivables	782	274
Fiscal receivables	10 168	3 097
Audiovisual tax credit	12 149	3 634
CNC subsidies	5 951	2 496
Other receivables	13 273	545
Prepaid expenses	3 557	1 217
Other current assets	**50 441**	**14 903**

9.7. Deferred taxes

In € thousands	31-dec-17	Movements during the period	Changes in scope of conso.	Reclass.	30-june-18
Deferred tax assets	2 390	415	9 690	(208)	12 288
Deferred tax liabilities	(42 216)	635	(1 321)	(1 076)	(43 979)
Net deferred tax asset (liability)	**(39 826)**	**1 050**	**8 368**	**(1 284)**	**(31 691)**

Net variation of deferred taxes comprised an increase of 3,773 thousands euros tied to the impairment of assets related to mergers and acquisitions and a reduction of (2,722) thousands euros tied to business, resulting in a net increase of 1,050 thousands euros.

9.8. Equity

- **Composition of and change in share capital**

As of June 30, 2018, the equity of Mediawan is broken down as follows:

	30-june-18		31-dec-17		Var.
Shareholders	Number of shares	%	Number of shares	%	Number of shares
Founders	6 280 815	21,4%	6 280 815	22,1%	-
Free float	23 044 898	78,6%	22 151 865	77,9%	893 033
Total	**29 325 713**	**100,0%**	**28 432 680**	**100,0%**	**893 033**

The variation of 893,033 shares is tied to the redemption in the first half of the year of 1,786,066 share warrants.

As a reminder, 25,594,315 share warrants were issued at the time of the initial public offering on April 22, 2016. Redeemable since April 3, 2017, the redemption price of each warrant is €11.50 and the exchange ratio is set at two warrants per one Mediawan share. These share warrants will expire upon the closing of the Euronext Paris market on April 1, 2022 (or earlier in the event of an early buyback).

After redemption of these 1,786,066 share warrants, there remain 23,808,249 redeemable share warrants as of June 30, 2018.

- **Dividends**

The amount of profits distributed was:

- Dividends for 2017 paid in 2018: zero
- Interim dividends paid in 2018: zero
- For a total paid in 2018 of: zero

- **Shares granted for free**

Under the authorization given to it by the Extraordinary General Assemblies of Shareholders on June 29, 2017 and June 5, 2018, the Management Board decided to grant new Mediawan shares for free to certain Group leaders and key managers.

As of June 30, 2018, 188,446 new free shares, each with a nominal value of one euro cent (€0.01), have been granted by the Management Board:

These shares are to be granted according to the attainment of performance criteria and conditions of presence:

- For the first tranche of 48,469 shares, following the vesting period starting September 29, 2017, and expiring on September 30, 2019;
- For the second tranche of 48,469 shares, following the vesting period starting September 29, 2017, and expiring on September 30, 2021;
- For the third tranche of 91,508 shares, following the vesting period starting June 7, 2018, and expiring on June 6, 2020.

From the date of vesting, the free shares must be kept for a period of one year starting from the expiration of the vesting period. Following the period for which the shares must be kept and subject to stipulations in the charter and bylaws of the company and in the plan, the beneficiary may freely dispose of their shares.

As of the end of June 2018, the portion of the fair value of the shares granted was 225 thousand euros.

9.9. Supplier payables and other current liabilities

In € thousands	30-june-18	31-dec-17
Trade payables	(36 796)	(6 717)
Payables related to purchases of audiovisual rights	(8 124)	(13 221)
Accrued invoices	(20 471)	(12 864)
Accrued invoices (audiovisual rights)	(23 468)	(21 270)
Royalties	(36 945)	(22 360)
Total trade and other operating payables	**(125 805)**	**(76 431)**

The variation of payables for purchases of audiovisual distribution rights and non-received invoices for audiovisual distribution rights, corrected for the effects of entry into the scope, was (8,456) thousands euros and was recategorized in the consolidated cash flow statement under acquisitions of tangible and intangible fixed assets.

In € thousands	30-june-18	31-dec-17
Credit notes, discounts and rebates	(3 533)	(1 885)
Accrued payroll charges – short-term	(20 659)	(8 995)
Accrued taxes (excl. income tax and CVAE) – short-term	(12 333)	(875)
Other short-term payables	(3 502)	(1 689)
Deferred Tax credit	(4 733)	(1 786)
Deferred subsidies	(15 643)	(2 943)
Deferred income	(52 286)	(5 003)
Total other payables and accrued expenses	**(112 690)**	**(23 177)**

Prepaid income is mainly in the form of advances received from broadcasters.

9.10. Current and non-current provisions

In € thousands	31-dec-17	Exploit.	Reversals (unused)	Change in scope	Reclass.	30-june-18
Prov. for claims and litigation – short-term	(365)	(9)	-	-	-	(374)
Other prov. for contingencies – long-term	(4 096)	(371)	582	-	-	(3 885)
Other prov. for contingencies – short-term	-	-	-	-	-	-
Total provisions for contingencies	**(4 461)**	**(380)**	**582**	**-**	**-**	**(4 259)**
Prov. for post-employment benefit obligations – long-term	(3 113)	(287)	-	(513)	436	(3 477)
Other provisions for charges – short-term	-	-	145	(145)	-	-
Other provisions for charges – long-term	(3 850)	-	1 600	-	-	(2 250)
Provisions for taxes – short-term	(1)	-	-	-	-	(1)
Total provisions for charges	**(6 964)**	**(287)**	**1 745**	**(658)**	**436**	**(5 728)**
Total provisions	**(11 425)**	**(667)**	**2 327**	**(658)**	**436**	**(9 987)**

9.11. Net financial debt

- **Status of net financial debt**

For the Group, net financial debt includes all financial debts, minus cash and cash equivalents, net of bank overdrafts.

Self-liquidating production loans are excluded from this definition, as they are considered by the Group to be current operating liabilities. These loans are intended to finance the production of audiovisual programs and the development of new projects. They will be repaid directly through receivables given as guarantees for the contracts signed.

In € thousands	30-june-18	31-dec-17
Cash	60 179	77 423
Cash equivalents	357	5 056
Bank overdrafts	(7 012)	(63)
Cash & cash equivalents net	**53 523**	**82 415**
Borrowing from credit institutions	(161 649)	(110 467)
Accrued interest on borrowings	(568)	(495)
Other bank and similar borrowings	(3 138)	(3)
Obligations under finance leases	(723)	-
Financial debt	**(166 078)**	**(110 965)**
Net financial debt	**(112 555)**	**(28 550)**
Crédits de production	(32 366)	-
Net financial debt (incl. production credits)	**(144 922)**	**(28 550)**

- **Change in financial debts**

In € thousands	31-dec-17	Additions	Repayments	Changes in scope of conso.	Reclass.	Var. non monétaires	30-june-18
Bank overdrafts	(63)	(2 221)	-	(4 728)	-	-	(7 012)
Borrowing from credit institutions	(113 750)	(45 000)	516	(6 816)	-	-	(165 050)
Debt issuance costs	3 421	831	-	-	-	(551)	3 701
Derivative instruments	(139)	-	-	-	-	(161)	(300)
Accrued interest on borrowings	(495)	-	-	(1)	1	(74)	(568)
Other bank and similar borrowings	(3)	(1 042)	3 978	(6 623)	552	-	(3 138)
Obligations under finance leases	-	-	-	(723)	-	-	(723)
Financial debt	**(111 028)**	**(47 433)**	**4 495**	**(18 891)**	**553**	**(786)**	**(173 090)**
Production credits	-	-	1 927	(34 293)	-	-	(32 366)
Net financial debt (incl. production credits)	**(111 028)**	**(47 433)**	**6 421**	**(53 184)**	**553**	**(786)**	**(205 457)**

The variation of scope column includes (3,978) thousands euros due for commitments for Makever to buy back shares from minority shareholders (commitments made as part of the transaction with Mediawan).

This amount is accounted for on the Makever balance sheet under "other borrowings and similar debts." The corresponding cash outflow appears in the repayment column.

- **Payment schedule for financial debts**

In € thousands	30-june-18	< 1 year	2 years	3 years	4 years	5 years and beyond
Bank borrowings – long term	(146 036)	-	(61 914)	(18 131)	(32 411)	(33 580)
Bank borrowings – short term	(15 612)	(15 612)	-	-	-	-
Other bank and similar borrowings	(3 138)	(2 296)	(842)	-	-	-
Obligations under finance leases	(723)	(457)	(184)	(82)	-	-
Accrued interest on borrowings	(568)	(494)	-	-	-	(74)
Bank overdrafts	(7 012)	(7 012)	-	-	-	-
Financial debt	**(173 090)**	**(25 871)**	**(62 941)**	**(18 213)**	**(32 411)**	**(33 654)**
Production credits	(32 366)	(32 366)	-	-	-	-
Net financial debt (incl. production credits)	**(205 457)**					

9.12. Other financial liabilities

Other financial liabilities include obligations incurred by Mediawan through commitments to buy shares from minority shareholders ("put options" for minority stakes).

As of June 30, 2018, the current value of the redemption price for these buyback commitments is assessed at 55,638 thousands euros. In accordance with IFRS 3:

- Mediawan recorded liabilities in the amount of 47,148 thousands euros. The counterpart to these liabilities is presented (i) minus minority stakes, in the amount of the book value of the shares that are subject to put options for minority stakes, and (ii) for the remainder, minus the Group-owned share of equity.
- The residual portion of the current value of the redemption price for these commitments, 8,490 thousands euros, was categorized as compensation for post-acquisition services and has been spread across the duration of commitments on the income statement of the Group, in the category "other operating income and expenses," as a counterpart to corporate debt.

In the first half of 2018, the portion of the residual share of the current value of the redemption price for these commitments, accounted for in the operating income of the Group, amounted to 364 thousand euros.

10. Other information

10.1. Transactions with related parties

- **Benefits for leaders**

The management of Mediawan includes members of the Management Board and the members of the Supervisory Board. These people are considered to have direct or indirect authority and responsibility for planning, management, and supervision of the business of the Group and are thus related parties according to IAS 24.

Over the first half of the year, the cost of compensation for the members of the Management Board amounted to (997) thousand euros (including payroll taxes and provisions for bonuses).

- **Relationship with related parties**

Over the period from January 1, 2018 to June 30, 2018, the Group had a shared leader and shareholder with Troisième Œil Group. The relationships between these companies are as follows.

Related-party transactions and balances between Groupe AB and the Troisième Œil Group	Amount (€ thousands)	Type
Gross operating receivables at June 30, 2018	-	Operating products
Operating payables at June 30, 2018	(174)	Operating charges
Operating income	1	Trade of auiovisual programmes
Operating expenses	(1)	Royalties
Purchase of audiovisual rights	-	Purchase of audiovisual rights

10.2. Off-balance sheet commitments

- **Bank loans and production loans:**

As a guarantee for the bank loan of 130,000 thousands euros (plus interest), Wannabe offered collateral to the banks involving:

- All shares of Groupe AB;
- One (1) share of each of the companies AB Droits Audiovisuels, AB Thématiques, Auteurs Associés, AB Télévision, and Ego Productions;
- The open bank accounts of Wannabe in France;
- The receivables of Wannabe under any intra-group loan contract and/or for checking account credit granted by Wannabe to a member of the Group;
- The receivables of the Group under acquisition documents (the purchase commitment, the guarantee agreement, the documents related to the acquisition by Groupe AB of 60% of the shares of Auteurs Associés).

These forms of collateral were offered as a guarantee for the payment obligations (present, future, real, or contingent) for all sums due on principal (130,000 thousands euros), late-payment interest or other sums (including commissions, fees, expenses, or compensation of any nature whatsoever) due or that may be due (including following an accelerated payment) from Wannabe under the credit agreement and hedging agreements (including in case of expiration of the term and, notably, sums due for cancellation, resolution, or annulment of the credit agreement or of any hedging agreement), and for the collateral agreement regarding the aforementioned forms of collateral.

In addition, maintenance of the bank line of credit for 130,000 thousands euros with Wannabe is subject to maintaining the financial ratios, calculated quarterly and annually based on consolidated data, for the duration of the loan.

As of the end of June 2018, these ratios have been maintained.

Ratios		Threshold
R1	Consolidated net debt/EBITDA	3.90x
R2	Consolidated debt/EBITDA	2.75x
R3	Consolidated EBITDA/Consolidated financial expenses	7.50x
R4	Capex	58.0 millions d'euros*

[1] : Debt: Loans, checking account advances, excluding specific financing related to audiovisual production

[2] : Net debt: Consolidated debt minus cash and cash equivalents

[3] : Investments: Includes capital increases from audiovisual works before subsidies, broadcast rights, and others, and excludes capitalized production costs

[*] : Only for the financial statement ending 31-dec-18

For the acquisitions announced at the end of 2017 and in January 2018, Mediawan obtained on March 19, 2018, a bridge loan for 45,000 thousands euros for a duration of 18 months.

To provide a guarantee for this fixed-term loan (with interest), Mediawan and its subsidiary MDWan Fiction, the lenders for this loan, provided the banks with collateral at the time the loan was issued on June 7, 2018:

- Collateral in the form of securities accounts and corporate shares, including all securities and shares of MDWan Fiction, TopCo 1, TopCo 2, and Wannabe;
- Collateral in the form of securities accounts including all Makever shares owned by MDWan Fiction;
- Collateral in the form of securities accounts including all Storia Télévision shares owned by Mediawan and MDWan Fiction;
- Collateral in the form of securities accounts including all ON Entertainment shares owned by Mediawan;
- Collateral in the form of bank accounts opened in France owned by Mediawan and MDWan Fiction;
- Collateral in the form of the receivables of Mediawan and MDWan Fiction under any intra-group loan contract and/or for checking account credit granted by Mediawan or MDWan Fiction to a member of the Group;
- Collateral in the form of Group receivables under contracts for the sale of securities related to the acquisition by Mediawan of its majority stake in ON Entertainment and by MDWan Fiction of its majority stake in Makever.

These forms of collateral were offered as a guarantee for the payment obligations (present, future, real, or contingent) for all sums due on principal (45,000 thousands euros), late-payment interest or other sums (including commissions, fees, expenses, or compensation of any nature whatsoever) due or that may be due (including following an accelerated payment) from Mediawan and MDWan Fiction under the fixed-term loan agreement (including in case of expiration of the term and, notably, sums due for cancellation, resolution, or annulment of the loan agreement), and for the above-mentioned collateral.

In addition, maintenance of the bank fixed-term loan for 45,000 thousands euros is subject to maintaining the financial ratios, calculated quarterly based on Group consolidated data, for the duration of the loan starting from December 31, 2018.

The subsidiaries of the Group carrying out the production business grant, for production loans, collateral in the form of future revenues associated with the usage of audiovisual works produced.

- **Commitments to buy minority stakes and earnouts**

Obligations incurred by Mediawan through commitments to buy shares from minority shareholders (“put options” for minority stakes) are recorded under “other financial liabilities.”

However, the portion of the current value of commitments to buy back minority stakes categorized as compensation for post-acquisition services, as well as the earnouts, constitute a commitment given by the Group that amounts to 9,737 thousands euros.

- **Other commitments**

Other commitments given off-balance sheet for the Group, presented in the table below, include contracts signed for current business line activities, such as commitments related to the acquisition of content, operating leases and sub-leases, and commercial commitments such as long-term service contracts. Most of these commitments are reciprocal commitments.

Commitments given (in € thousands)	Total	< 1 year	1 - 5 years	> 5 years
Operating leases	3 245	1 321	1 804	120
Transponder lease agreements	5 200	1 950	3 250	-
Non-cancelable commitments to purchase programs	22 262	19 730	2 532	-
Total	**30 707**	**23 001**	**7 586**	**120**

10.3. Off-balance sheet commitments received

Mirroring the purchase promises given by Mediawan for certain minority stakes, the Group received sale promises from the same counterparts ("call options" on minority stakes).

As part of external growth transactions, Mediawan also signed guarantee agreements with the sellers of the acquired entities, with the purpose of indemnifying the Group in the event of a decrease in assets or increase in liabilities after the sale, due to one or more causes existing before said sale. As a guarantee of execution by the sellers of their obligations under the agreement and of on-time payment of any sum due from them under the agreement, the sellers committed to give Mediawan collateral in the form of immediately liquid assets or to give bank guarantees in the amount of their commitments.

Other commitments received off-balance sheet for the Group include subsidies received and not allocated to productions, as well as commercial commitments for sales of audiovisual distribution rights.

10.4. Post-closing events

Since July 10, 2018, Mediawan granted to Exane BNP Paribas the control of its share under a liquidity agreement in accordance with the Ethics Policy of the AMAFI (the French Financial Markets Association), recognized by the French Financial Markets Authority (AMF).

Additionally, Andréa Scrosati resigned from the Supervisory Board on September 7, 2018. With Pierre Lescure as Chairman, the Supervisory Board now has 8 members.

Finally, Mediawan was informed since its last share capital increase on June 29, 2018, of the redemption of 1,416,044 share warrants, leading to the issuance of 708,022 new shares. As such, on this day, the Management Board approved a share capital increase of €7,080.22, raising the share capital of Mediawan from €293,257.13 to €300,337.35 with 30,033,735 shares.