

PANTAFLIX

HALF-YEAR REPORT

2021

ABOUT PANTAFLIX AG

PANTAFLIX AG is a media and technology company with a clear growth strategy. Thanks to the efficient interlinking of all corporate divisions, the company achieves a high level of integration in terms of the production, distribution, exploitation and marketing of films and series as well as their associated rights. In addition to the classic film production business PANTALEON Films, the production unit PANTAFLIX Studios, the creative agency Creative Cosmos 15 and the audio unit PantaSounds, PANTAFLIX Technologies also forms part of the Group. On the one hand, it enables PANTAFLIX users to access an extensive range of films and series through the cloud-based video-on-demand platform (VoD) developed in-house. On the other hand, PANTAFLIX Technologies acts as an enabler and one-stop-shop solution for professional users as part of a B2B2C approach. SZ Cinemathek, Weltbild as well as Airbus and the German Armed Forces use PANTAFLIX for their customised streaming services.

PANTAFLIX AG cooperates with well-known partners such as Amazon, Disney, Joyn, Netflix, StudioCanal, Warner Bros. and others.

The Group is present in Berlin, Cologne and Munich. You can find PANTAFLIX AG on the stock exchange under XETRA ticker symbol PAL and ISIN DE000A12UPJ7.

For further information, visit www.pantaflixgroup.com.

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DEAR SHAREHOLDERS,

These days, there is often talk of purpose. This refers to the intention, the reason why a company does what it does. Purpose is the motivation that is deeply rooted inside the company. What we do and live at PANTAFLIX is entertainment. And we do it with passion. This is why we have adopted for ourselves the motto ENTERTAINMENT AS A PURPOSE. All of our subsidiaries, whether it's PANTALEON Films, PANTAFLIX Studios, PANTAFLIX Technologies, Creative Cosmos 15 or PantaSounds, are dedicated to our mission. Together, we have passed the endurance test imposed on us by the corona pandemic in 2020 through flexible and spirited action and we will bounce back from this in 2021 on highly motivated footing.

After all, the developments in the first half of 2021 give us cause for optimism. We are all currently experiencing a return to normality – if this can be said following a year 2020 that no one will soon forget. The stores have opened again. Travel, restaurant and even cinema visits have become possible again over the course of the first half of 2021.

PANTAFLIX ENSURES EQUAL REPRESENTATION ON THE MANAGEMENT BOARD

In addition to the major, noticeable changes in everyday life, there has been yet another decisive change here at PANTAFLIX AG. We have had a Management Board marked by equality since August 2, 2021. From this point on, we, Stephanie Schettler-Köhler (COO) and Nicolas Paalzow (CEO), are jointly responsible for the strategy and objectives of PANTAFLIX AG.

With this appointment to the management team, we at PANTAFLIX AG are confirming our goal of consciously promoting women and, in the process, elevating them to management positions. We are not doing this because we are following a trend or zeitgeist, but because we are convinced that a company makes better decisions when both men and women are involved – equally and with great commitment. We are thus already implementing what the German government demands of large listed companies with the Second Act on Equal Participation of Men and Women in Management Positions (Zweites Führungspositionen-Gesetz – FüPoG II) dated August 12: more women in management positions.

We are eagerly looking forward to tackling the challenges and tasks that lie ahead together. Stephanie Schettler-Köhler is responsible for the area of films and series at PANTALEON Films, Finance, HR and Legal. Her responsibilities are not limited to the operational business alone, however: rather, she attends to



Nicolas Paalzow
CEO

Stephanie Schettler-Köhler
COO

other important topics at PANTAFLIX AG, such as the compatibility of family and career, diversity, gender equality, acting sustainably and new work. She started out with the firm conviction that participation, equality and positive interaction are major factors in the long-term success of the company.

BROAD BASIS FOR GROWTH ESTABLISHED IN SECOND HALF OF THE YEAR

Let's take a look at the figures for the first half of 2021. In the film business in particular, the lockdown phase from March 2020 caused major postponements of many productions. For example, the filming of DAS INTERNAT, WOLKE UNTERM DACH, OSKARS KLEID and GENERATION BEZIEHUNGSUNFÄHIG was unable to be resumed until June 2020. This means the revenue impact of the productions OSKARS KLEID, WOLKE UNTERM DACH and partly also ARMY OF THIEVES for the streaming service Netflix was pushed into the second half of 2021. This means the business figures for the first half of 2021 merely provide a snapshot that must be viewed against the backdrop of the productions already completed and their revenue impact in the second half of 2021.

PANTAFLIX AG generated sales revenues of EUR 22.7 million in the first half of 2021, compared to EUR 4.9 million in same period last year. Total operating performance plus other operating income amounted to EUR 10.8 million (H1 2020: EUR 4.4 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 3.7 million in the first half of the year (H1 2020: EUR -3.3 million). Earnings before

interest and taxes already improved to EUR -2.1 million from EUR -4.3 million due to the revenue recognition of part of the productions scheduled for completion in the full year. In view of the completions scheduled for the second half of the year, which will thus have an impact on revenues, we expect this positive development to continue for the full year. With EUR 6.5 million in cash and cash equivalents (December 31, 2020: EUR 7.2 million), the PANTAFLIX Group has a solid financial basis to pursue its growth strategy with the necessary financial flexibility.

SUCCESSFUL SHOOTING IN A CHALLENGING ENVIRONMENT

We are both able and determined to take action. In fact, we already demonstrated this under challenging conditions. We succeeded in completing elaborate productions in compliance with the highest safety and hygiene standards. At the start of the year, PANTALEON Films finished shooting *ARMY OF THIEVES*, the prequel to *ARMY OF THE DEAD* produced exclusively for Netflix and with Matthias Schweighöfer in the lead role and in the director's chair. *ARMY OF THE DEAD*, in which Matthias Schweighöfer already played the small-town banker Ludwig Dieter, set records on Netflix: after only four weeks, the film had reached more than 72 million households worldwide, making it one of the ten most-watched Netflix films ever. *ARMY OF THIEVES* will be available worldwide on Netflix starting on October 29, 2021. The music for the movie is composed by the film music legend Hans Zimmer. Filmed in 2020, *GENERATION BEZIEHUNGSUNFÄHIG* celebrated on July 6, 2021 its premiere at the Munich Film Festival. The movie featuring Frederick Lau and Luise Heyer in the lead roles was released in the cinemas on July 29, 2021. *WOLKE UNTERM DACH* and *OSKARS KLEID* are in post-production and will be completed in the second half of 2021.

PANTAFLIX Studios also proved to be strong in the area of production. In February 2021, the team headed by Managing Directors Manuel Uhlitzsch and Sebastian Lang successfully finished shooting the second season of *DAS INTERNAT* for our cooperation partner, the streaming service Joyn. No fewer than 24 new episodes have been available since April 19, 2021. PANTAFLIX Studios already finished filming the third season at the beginning of September 2021 – in other words after the reporting period had ended – that will be available on Joyn starting on October 25, 2021. For Amazon Prime Video, the team also realized the series *SEX ZIMMER, KÜCHE, BAD*, which is currently in post-production.

STREAMING AS A KEY TECHNOLOGY IN THE MEDIA MARKET AND FOR THE FUTURE OF CINEMAS

The rapidly changing media market holds a number of opportunities for PANTAFLIX. We have created the right starting position within PANTAFLIX Technologies and, with the PANTAFLIX streaming platform, the technology to tap the market potential for ourselves. We are pursuing an innovative entertainment-as-a-service approach in this regard. For its professional users, PANTAFLIX serves as a starting point for their own film and series offerings or can be supplemented by our catalog. We are receiving positive feedback and experiencing growing popularity. *Süddeutsche Zeitung* with the SZ-Cinemathek, the book retailer *Weltbild*, Airbus, the German Armed Forces and numerous film festivals rely on PANTAFLIX.

Due to the tendency toward shorter cinema exploitation windows for film productions, PANTAFLIX is also an innovative solution for digitalizing the business model of cinemas. Besides in-house screenings, operators can create real added value with a streaming offering. They offer customers additional services such as curation and editing, and distributors another channel to play their productions on. PANTAFLIX thus clearly broadens the conventional cinema business model. We have already been successfully supporting Hamburg's Abaton cinema with our technology since the beginning of June 2021. However, the cult cinema is just one of more than 40 film festivals and cinemas that now rely on PANTAFLIX as an enabler, not only in Germany. We have already acquired our first customers in other European countries and are continuing to work on internationalizing our approach in this region. We also want to further simplify access to the technology for customers by creating the most automated and low-threshold offering possible. We are thus making the process more efficient and can noticeably expand our margins.

CC15 POSTS A DYNAMIC DEVELOPMENT – NEW BUSINESS FIELDS IDENTIFIED

Our creative agency CC15 (Creative Cosmos 15) is developing dynamically. Managing Director Nico Buchholz and his team realized high-reach campaigns for Mercedes-Benz and XXXLutz. Matthias Schweighöfer has been the brand ambassador for the furniture brand in Germany since 2020. During the reporting period, CC15 also welcomed a new customer, the food delivery service Flink, and produced giant posters in Berlin as part of its latest campaign. In accompanying the Paralympic Games in Au-

gust 2021, CC15 created and produced a moving picture campaign together with the German Disabled Sports Association (DBS), which was intended to achieve the greatest possible attention and raise awareness of top-level sports for people with disabilities in Germany to a new level. Impressive images, strong messages and music by Rammstein whetted the appetite for the third largest sporting event in the world. Jokolade, Hello-Body and Fisher-Price round off the customer portfolio and comprise CC15's latest activities.

As dynamically as the media market is developing, we are working hard to develop the company further and identify new areas to do business in. The audio media market is experiencing strong demand. Audio books, audio plays and especially podcasts are enjoying great popularity among a steadily growing audience. We at PANTAFLIX are convinced that we can clearly enrich the range of podcasts and audio fiction with our talents. Through our subsidiary PantaSounds, we also have years of production expertise in this field, which gives us a distinct advantage. Therefore, it is our goal to further develop PantaSounds into a versatile audio unit and release our audio productions MITTEN AM TAG and FARBLOS, GERUCHLOS, UNSICHTBAR before the end of the year.

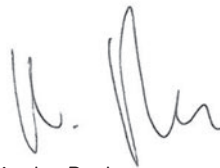
POSITIVE OUTLOOK – CONFIRMATION OF THE FORECAST

Dear shareholders – as you can see, we are working passionately in a visionary manner on the future of PANTAFLIX. We are convinced that the effects of the corona pandemic on the operating business are manageable. We therefore now confirm our forecast for 2021.

It calls for revenue to increase significantly year-on-year to at least EUR 30.0 million (2020: EUR 7.8 million). At the same time, EBIT is expected to improve significantly to an order of magnitude of EUR -2.5 million up to the operating break-even point (2020: EUR -7.1 million). These expectations are subject to further pandemic conditions, of course.

As far as the future of PANTAFLIX AG is concerned, we are extremely confident and look forward to shaping it together with the great PANTAFLIX team. At the same time, we would like to express our thanks to the PANTAFAMILY for their tireless efforts. We thank you, dear shareholders, for the trust you have placed in us. We look forward to having you continue to accompany us on our journey.

Sincerely yours,



Nicolas Paalzow
CEO



COO

THE PANTAFLIX AG SHARE

THE PANTAFLIX AG SHARE

PANTAFLIX AG's shares are included in the EU-registered SME growth market Scale in the Regulated Unofficial Market of the Frankfurt Stock Exchange. Scale, the segment of Deutsche Börse for small and medium-sized enterprises or so-called SMEs, represents an alternative to the EU-regulated segments with access to investors and an efficient possibility of equity financing for young growth companies.

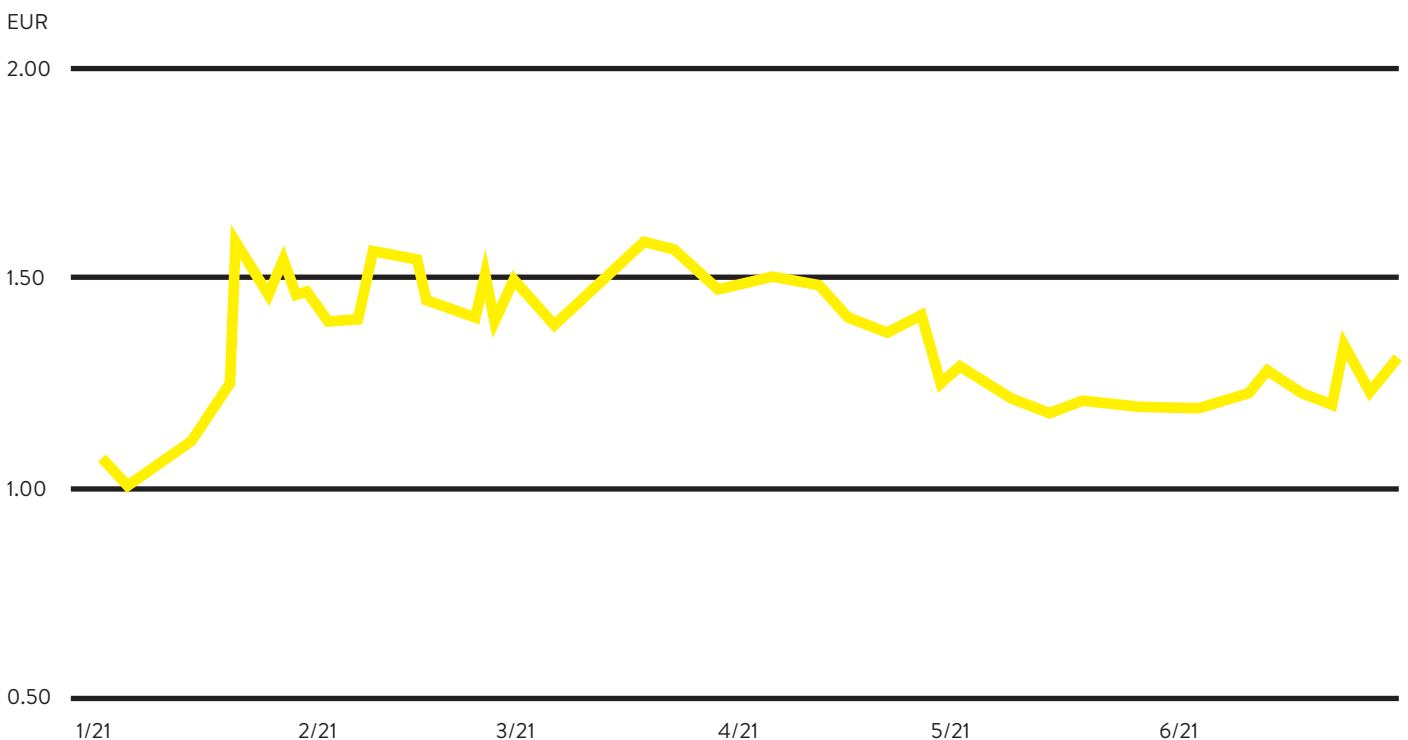
SHARE PRICE PERFORMANCE IN THE FIRST HALF

The price gains seen on the global stock markets in the fourth quarter of 2020 continued at the beginning of the first half of 2021. European shares were able to close the gap again compared to other stock markets. Strong fluctuations on the stock markets as a result of inflation concerns and speculation on interest rate increases by central banks dominated the picture in the second quarter of 2021. Overall, market participants focused on the good economy and the related prospects for companies to achieve growth and share price gains.

The DAX opened the stock market year at 13,890.22 points on January 4, 2021, and peaked at 15,802.67 points on June 14. The German benchmark index reached its low of 13,310.95 points on January 28. On June 30, the index closed at 15,531.04 points, up 13.2% on the closing price in 2020. Compared to the MSCI USA, U.S. equities achieved a gain of 14.1% in the reporting period. European shares – compared to the MSCI Europe – were up 10.1% in the first half of 2021. The Scale All Share Index in which the PANTAFLIX share is listed closed the first half of 2021 by posting a gain of 30.1% to 1,901.56 points.

PANTAFLIX AG shares opened the 2021 reporting year on January 4 at a price of EUR 1.09. On June 30, 2021, the share certificates ended the first half of the year at EUR 1.39, up 30.5% on the closing price in 2020 (EUR 1.07). The highest price in the reporting period was EUR 1.70 on January 21, 2021. The PANTAFLIX AG share reached its low of EUR 0.94 for the 6-month period on January 5, 2021 (all data based on Xetra prices).

SHARE PRICE PERFORMANCE IN THE FIRST HALF OF 2021



The average number of PANTAFLIX shares traded daily on all German stock exchanges amounted to 29,881 shares in the first half of 2021 compared to the same period of the previous year (H1 2020: 39,764 shares).

On June 30, 2021, market capitalization was approximately EUR 25.9 million based on 18,601,390 shares and a closing price of EUR 1.39 (all figures based on Xetra prices).

SHARE PRICE PERFORMANCE IN THE FIRST HALF OF 2021

Opening price	January 4, 2021	EUR 1.09
Low	January 5, 2021	EUR 0.94
High	January 21, 2021	EUR 1.70
Closing price	June 30, 2021	EUR 1.39
Market capitalization	June 30, 2021	EUR 25.9 million
Share price performance		+30.5%

As the designated sponsor, Hauck & Aufhäuser Privatbankiers AG issues binding bid and offer prices and thereby ensures adequate tradability of the PANTAFLIX share. Investors can find more information in the Investor Relations section of the website at pantaflixgroup.com.

SHARE INFORMATION

Stock exchange	Xetra, Frankfurt
Ticker symbol	PAL
Total number of shares	18,601,390
Amount of share capital	EUR 18,601,390.00
ISIN	DE000A12UPJ7
GSIN	A12UPJ
Market segment	Open market
Transparency level	Scale
Designated sponsor	Hauck & Aufhäuser Privatbankiers AG

INVESTOR RELATIONS

As a listed company, PANTAFLIX AG maintains continuous and transparent communication with all stakeholders such as investors, private investors and financial analysts. In the first half of 2021, the Management Board of PANTAFLIX AG again engaged in dialog with capital market participants and the financial and business press to present the company and its business model.

ANNUAL GENERAL MEETING

The Annual General Meeting of PANTAFLIX AG was held on August 26, 2021, once again as a purely digital event due to the COVID-19 pandemic. The shareholders discharged the Management Board as well as the Supervisory Board by a clear majority and approved the proposals of the management on all agenda items. Nicolas Paalzow, CEO of PANTAFLIX AG, joined Stephanie Schettler-Köhler, who took over the position of COO as of August 2, 2021, in giving a presentation on developments in fiscal year 2020 and provided an outlook for the current fiscal year. The Annual General Meeting focused on the successful film and series production activities and the manageability of the corona pandemic for the business units.

The results of voting at the 2021 Annual General Meeting are available for viewing and download at pantaflixgroup.com.

CASH CAPITAL INCREASE

On May 10, 2021, the Management Board, with the approval of the Supervisory Board, resolved to increase the company's share capital from EUR 16,910,355 by issuing 1,691,035 new no-par value bearer shares (corresponding to 10% of the current share capital) at an issue price of EUR 1.21 per new share, i.e. at a total issue price of EUR 2,046,152.35, against cash contributions, making partial use of the existing authorized capital.

The capital increase was fully placed. The new shares were included in the current listing in the Scale segment of the Frankfurt Stock Exchange without a prospectus. The capital increase served to strengthen the balance sheet and to finance the further growth of PANTAFLIX AG. As a result, the share capital increased to EUR 18,601,390 in the half year under review, with a total number of shares of 18,601,390.

SHAREHOLDER STRUCTURE

The company is aware of the shares that require disclosure pursuant to Section 20 (5) of the German Stock Corporation Act (AktG) as of the end of the first half of 2021. Around 70% of the shares are held by the management, BlackMars Capital GmbH, the Supervisory Board members and PANTAFLIX founding shareholders Marco Beckmann, Dan Maag and Matthias Schweighöfer. The free float amounts to approx. 30%.

FINANCIAL CALENDAR 2021

August 26, 2021

Annual General Meeting (virtual)

October 12, 2021

Half-Year Report 2021

November 23-24, 2021

German Equity Forum, Frankfurt (virtual)

MACROECONOMIC AND INDUSTRY-SPECIFIC CONDITIONS

For PANTAFLIX AG and its subsidiaries, the global economy as well as economic growth in Europe and Germany are of great significance with regard to the development and production of film and series productions and the global exploitation of the resulting rights.

According to the International Monetary Fund (IMF), the global economy is on course for growth in 2021. In its World Economic Outlook updated in July, the IMF confirmed its forecast from April 2021. Accordingly, the global gross domestic product (GDP) is expected to grow by 6.0% in the current year. However, the outlook for the emerging and developing economies for 2021, particularly for the emerging Asian economies, has been downgraded. The forecast for the advanced economies, including the euro zone and the United States, was revised upward. In its baseline scenario, the IMF expects global GDP to increase by 4.9% in 2022. This is 0.5 percentage points more than had been forecast in April 2021. In particular, the IMF considers the fiscal policy measures of many countries to be drivers of economic recovery.

This scenario is fraught with uncertainty, however. The IMF sees rising inflation and a slowdown in vaccinations, which could result in a further spread of mutations of the coronavirus, as risk factors. However, inflation in most countries is expected to return to pre-pandemic levels in 2022 and thus fall significantly. According to estimates, central banks are likely to try to avoid monetary tightening and an associated impairment of the financing conditions of government fiscal measures.

According to the updated World Economic Outlook published in July, the IMF expects economic growth in the industrialized countries to reach 5.6% in 2021. This represents an upward revision of 0.5 percentage points from the April forecast. Growth of 7.0% is expected for the United States in 2021 (previously 6.4%). For the euro zone, GDP is expected to increase by 4.6% (previously 4.4%). For the current year 2021, growth in Germany is projected to remain unchanged at 3.6%. The assessment of economic development in Germany for 2022 was raised by 0.7 percentage points to 4.1% compared to the World Economic Outlook in April.

According to the Federal Statistical Office (Destatis), price-adjusted GDP in Germany contracted by 3.4% year-on-year in the first quarter of the current year. The second quarter proved to be extremely strong, posting an increase of 9.6%. In this context, the German Federal Ministry for Economic Affairs and Energy (BMWi) points to the brightening business climate in companies, a very good order situation, recovery trends on the labor market and rising exports. However, reference is also made to the still gloomy consumer climate.

Some of the industries and market segments addressed by PANTAFLIX AG benefited from the ongoing contact restrictions in the first half of 2021 to contain the corona pandemic, particularly in the production area for video-on-demand (VoD) providers and the company's own VoD platform PANTAFLIX in the B2B and B2B2C areas, respectively. By contrast, box office revenues, which are of crucial importance to the production of films and series, continued to be restricted by the containment measures in the reporting period. Due to the tightening of the lockdown measures imposed by the German government in January 2021, cinemas in Germany were unable to resume operations until May 2021, and then only with limited occupancy.

According to the consulting firm PwC, the corona pandemic has greatly changed the digitalization of the global entertainment and media (E&M) industry, as well as the media consumption habits of consumers. This has resulted in an acceleration of the transformation inherent in the industry. It is becoming increasingly important for companies to serve consumers' newfound media consumption habits and distribute their content on those channels where consumers spend time. Accordingly, digital, online, mobile, from home and on demand are the new standards of use. In part, this means shifts for E&M business models that imply strong growth potential for market segments such as subscription- video-on-demand (SVoD), in which PANTAFLIX AG is active in the production sector. This development leads to uncertainties for the exploitation opportunities of films at the international box office, on the other hand. However, according to forecasts by PwC, international cinema revenues are expected to reach the pre-crisis level of 2019 of around USD 40 billion again in 2023.

In the E&M industry, it became apparent in the first half of 2021 that total sales in the industry are likely to increase by 6.5% in the current year. This would mean that the E&M industry would grow more strongly than the global economy in the year as a whole. PwC forecasts a 6.7% increase in revenues in 2022 and expects average industry growth of 5.0% per year through 2025. Streaming in particular is contributing to this growth. Revenues from the SVoD industry segment are expected to increase by an average of 10.6% per year to USD 81.3 billion by 2025. This is accompanied by increasing budgets of streaming providers for content productions. This creates further potential for the series and film productions of the PANTAFlix Group, which offers corresponding content to streaming providers, in parallel with the increasing number of VoD providers worldwide.

Cinema revenues in 2020 plummeted due to the COVID-19 pandemic. However, in the first half of the current year, there were increasing signs that a revival of the cinema business can be expected. According to the German Federal Film Board (FFA), even before the nationwide reopening in July of this year, cinema operators in Germany had implemented investment measures to convert and expand movie theaters, some of which were financed with public subsidies from the German Federal Film Board. In the first meeting of the current year, the FFA granted EUR 1.1 million. In the second meeting, another EUR 1.1 million was approved for modernization and expansion measures. A survey of consumers in Germany conducted by the Gesellschaft für Konsumforschung (GfK) found that 71.0% of respondents would like to go to the movies again as often or even more often after the cinemas reopen than before the pandemic.

According to the German Music Industry Association (BVMl), the music industry in Germany generated total revenues of EUR 903.8 million in the reporting period. This represents an increase of 12.4% compared to the same period of the previous year. The strongest format on the market remains audio streaming, which now accounts for 70.6% of total sales after experiencing further growth (+19.9%). The current Online Audio Monitor 2021 also shows that audio offerings are experiencing continuously rising demand. According to this information, 45.3 million people will use online audio content at least monthly in 2021. This includes

web radio, music streaming, podcasts and radio shows for re-listening as well as audio books and audio plays. Last year, 41.5 million people used these services. Demand for podcasts or their retrieval rose by 21.3% in 2021 compared to the previous year 2020. The corona pandemic gave demand an additional boost. As a result, 36.4% of the population aged 14 and older said they listened to more online audio. Of these, 52.8% chose to listen to more podcasts, followed by the other categories of audiobooks and audio plays, music streaming and web radio. Compared to other media offerings, online audio generally benefits from local independence.

COURSE OF BUSINESS

EARNINGS, FINANCIAL AND ASSET POSITION

The first half of 2021 was marked by a return to normality from the lockdown-related production postponements of the previous year. In the first half of 2021, the completions of the productions of GENERATION BEZIEHUNGSUNFÄHIG and DAS INTERNAT as well as the partial realisation of ARMY OF THIEVES contributed significantly to revenue growth. WOLKE UNTERM DACH and OSKARS KLEID are in post-production and will be completed and therefore contribute toward sales in the second half of 2021.

The PANTAFLIX Group generated revenues of EUR 22,679 thousand in the first half of 2021 (H1 2020: EUR 4,889 thousand) and total operating performance plus other operating income totaling EUR 10,770 thousand (H1 2020: EUR 4,383 thousand). In particular, the partial recognition of revenues from the completion of ARMY OF THIEVES for the streaming provider Netflix contributed to. Season 2 of the hit series DAS INTERNAT, produced for the streaming service JOYN, was recognized in revenues upon completion of production, as was the in-house production of the bestseller film adaptation GENERATION BEZIEHUNGSUNFÄHIG. In total output, the increase in inventories for commissioned productions is mainly offset by the reduction in inventories for completed projects of EUR -12,960 thousand (H1 2020: reduction in inventories of EUR -1,210 thousand).

Cost of materials increased to EUR 3,720 thousand (H1 2020: EUR 2,996 thousand). This includes expenses for commissioned productions, co-producer's shares in revenues from the licensing of film rights and follow-up costs for projects completed.

Personnel expenses decreased to EUR 2,061 thousand (H1 2020: EUR 2,358 thousand). This was due in particular to the cost optimization and efficiency measures initiated in the previous year to deal with corona-related challenges in the area of production.

Depreciation and amortization, primarily amortization of internally generated intangible assets, especially for completed and revenue-generating in-house productions, amounted to EUR 5,850 thousand (H1 2020: EUR 1,000 thousand). Depreciation and amortization of acquired intangible assets and property, plant and equipment play a minor role. No change in the utilization profile over time is expected.

EBITDA improved to a positive operating result of EUR 3,748 thousand in the first half of 2021 (H1 2020: EUR -3,282 thousand).

EBIT improved significantly to EUR - 2,103 thousand (H1 2020: EUR -4,283 thousand) already due to the recognition of revenue from part of the productions scheduled for completion in the full year.

Consolidated total assets fell to EUR 28,732 thousand in the first half of 2021 (December 31, 2020: EUR 45,651 thousand). With a decrease in non-current assets to EUR 17,553 thousand (December 31, 2020: EUR 19,942 thousand), current assets decreased to EUR 11,104 thousand (December 31, 2020: EUR 25,614 thousand).

The decrease in non-current assets to EUR 17,553 thousand (December 31, 2020: EUR 19,942 thousand) results mainly from the amortization of intangible assets after the completion of film productions.

Current assets declined to EUR 11,104 thousand (December 31, 2020: EUR 25,614 thousand), mainly due to the reduction in inventories associated with the completion of projects. As a result, receivables and other assets also declined to EUR 2,415 thousand (December 31, 2020: EUR 3,334 thousand). Cash and cash equivalents were down on the previous year at EUR 6,528 thousand (December 31, 2020: EUR 7,215 thousand).

Equity at the end of the first half of 2021 was at the level of the previous year at EUR 6,621 thousand (December 31, 2020: EUR 6,688 thousand). The increased equity ratio of 23% as a result of the lower balance sheet total results in particular from the completion of commissioned productions (December 31, 2020: 15%).

As of June 30, 2021, prepayments received on orders decreased to EUR 10,752 thousand (December 31, 2020: EUR 25,325 thousand) and liabilities to banks decreased to EUR 8,175 thousand (December 31, 2020: EUR 9,402 thousand) due to projects still in production or not yet invoiced but completed. At EUR 1,473 thousand, trade payables were nearly at the previous year's level (December 31, 2020: EUR 1,525 thousand). Other liabilities, in particular from contingently repayable film subsidy loans, revenue shares of third parties and taxes, decreased to EUR 1,207 thousand (December 31, 2020: EUR 2,222 thousand).

OUTLOOK, OPPORTUNITY AND RISK REPORT

FUTURE DEVELOPMENT OF THE PANTAFLIX GROUP – FORECAST

The PANTAFLIX Group is benefiting both from the high demand for film and series contents and the increased interest in VoD technology.

The global market environment in the current fiscal year remains characterized by the COVID-19 pandemic and related developments. Nevertheless, the Management Board expects significant year-on-year increase in revenue to at least EUR 30.0 million for fiscal year 2021 (2020: EUR 7.8 million), according to the current plan for the PANTAFLIX Group. At the same time, a significant improvement in EBIT to an order of magnitude of EUR -2.5 million up to the operating break-even is expected (2020: EUR -7.1 million). These expectations are subject to the further pandemic conditions.


OVERALL RISK

As of the date of preparation of this half-year report for the first half of 2021, the Management Board and Supervisory Board were not aware of any risk that could jeopardize the company as a going concern due to insolvency or overindebtedness.

The opportunities and risks of our business are presented in detail in the Group Management Report of PANTAFLIX AG for fiscal year 2020, starting on page 23, and have not changed significantly since then.

Munich, October 8, 2021

Management Board



Nicolas Paalzow
CEO



Stephanie Schettler-Köhler
COO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of June 30, 2021

ASSETS	06/30/2021	12/31/2020
	EUR	EUR
A. FIXED ASSETS		
I. Intangible assets		
1. Internally generated industrial property rights and similar rights and assets	1,250,698.00	953,232.00
2. Purchased concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	493,365.93	461,306.48
3. Goodwill	132,649.91	141,535.43
4. Advance payments	15,541,629.58	18,258,791.96
	17,418,343.42	19,814,865.87
II. Tangible fixed assets		
1. Technical equipment and machinery	40,464.43	14,728.00
2. Other equipment, operating and office equipment	94,090.16	112,881.00
	134,554.59	127,609.00
	17,552,898.01	19,942,474.87
B. CURRENT ASSETS		
I. Inventories		
1. Work in progress	2,124,277.10	15,084,581.92
2. Advance payments received	36,062.50	0.00
	2,160,339.60	15,084,581.92
II. Receivables and other assets		
1. Trade receivables	2,005,322.72	2,696,374.95
2. Other assets	409,773.20	637,962.00
	2,415,095.92	3,334,336.95
III. Cash-in-hand, bank balances	6,528,200.43	7,194,767.29
	11,103,635.95	25,613,686.16
C. PREPAID EXPENSES	75,582.18	95,049.70
	28,732,116.14	45,651,210.73

EQUITY AND LIABILITIES	06/30/2021	12/31/2020
	EUR	EUR
A. EQUITY		
I. Subscribed capital	18,601,390.00	16,910,355.00
II. Capital reserves	18,332,288.69	18,164,770.80
III. Revenue reserves		
Legal reserve	14,268.80	14,268.80
IV. Consolidated unappropriated net loss	-30,154,555.95	-27,955,234.51
	6,793,391.54	7,134,160.09
V. Non-controlling interests	-172,385.20	-446,336.36
	6,621,006.34	6,687,823.73
B. PROVISIONS		
1. Tax provisions	51.70	4,189.00
2. Other provisions	504,316.07	485,061.35
	504,367.77	489,250.35
C. LIABILITIES		
1. Liabilities to banks	8,174,807.15	9,401,713.83
2. Advance payments received on orders	10,751,814.94	25,325,389.19
3. Trade payables	1,473,427.94	1,525,313.62
4. Other liabilities	1,206,692.00	2,221,720.01
– of which taxes EUR 193,570.43 (previous year: EUR 420,445.35)		
	21,606,742.03	38,474,136.65
	28,732,116.14	45,651,210.73

CONSOLIDATED STATEMENT OF INCOME

for the period from January 1 to June 30, 2021

	01/01-06/30/2021	01/01-06/30/2020
	EUR	EUR
1. Revenue	22,679,171.41	4,889,311.23
2. Increase or decrease in finished goods and work in progress	-12,960,304.82	-1,209,926.70
3. Other own work capitalized	0.00	461,418.22
4. Other operating income	1,051,269.81	242,075.22
5. Cost of materials		
Cost of purchased services	3,719,913.36	2,996,302.89
6. Personnel expenses		
a) Wages and salaries	1,758,982.43	1,974,723.82
b) Social security, post-employment and other employee benefit costs	302,035.69	383,702.74
– of which from post-employment benefit costs EUR 3,852.14 (previous year: EUR 11,919.75)		
	2,061,018.12	2,358,426.56
7. Depreciation, amortization and extraordinary write-downs	5,850,338.23	1,000,340.21
8. Other operating expenses	1,241,414.30	2,310,381.94
9. Other interest and similar income	12,014.90	11,020.96
10. Taxes on income	15.22	-6,797.36
11. Earnings after taxes	-2,114,577.73	-4,286,797.23
12. Consolidated net loss for the year	-2,114,577.73	-4,286,797.23
13. Non-controlling interests in net result	-84,743.71	51,540.57
14. Consolidated net loss	-2,199,321.44	-4,235,256.66
15. Consolidated net loss carried forward	-27,955,234.51	-20,854,536.50
16. Consolidated unappropriated net loss	-30,154,555.95	-25,089,793.16

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2021

GENERAL INFORMATION

The company is entered under the name PANTAFLIX AG (“PANTAFLIX” or the “PANTAFLIX Group”) in the commercial register of the Munich District Court under commercial register sheet number 235252. The company’s address is: PANTAFLIX AG, Holzstrasse 30, 80469 Munich, Germany.

In preparing its Consolidated Financial Statements, PANTAFLIX observes the provisions on recognition, measurement and disclosure set out in the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

Where options exist to disclose either in the Consolidated Statement of Financial Position or in the Notes to the Consolidated Financial Statements, the option was taken to disclose in the Notes to the Consolidated Financial Statements.

The Consolidated Statement of Income was prepared applying the nature of expense method.

The company’s shares have been listed in Deutsche Börse’s “Scale” segment since March 1, 2017.

In accordance with Section 293 HGB, PANTAFLIX AG is exempt from the obligation to prepare Consolidated Financial Statements. These Consolidated Financial Statements are thus prepared on a voluntary basis.

PRINCIPLES AND SCOPE OF CONSOLIDATION

The consolidated Group comprises all subsidiaries in which PANTAFLIX AG holds a majority of the voting rights, either directly or indirectly.

FULLY CONSOLIDATED COMPANIES

The Consolidated Financial Statements include the parent company PANTAFLIX AG and the following subsidiaries:

COMPANY	EQUITY STAKE IN %
PANTALEON Films GmbH, Munich	100.00
PANTAFLIX Studios GmbH, Munich	51.00
PANTALEON Pictures GmbH, Munich	100.00
PANTAFLIX Technologies GmbH, Berlin	100.00
PantaSounds GmbH, Berlin	100.00
Creative Cosmos 15 GmbH, Munich	56.00
The Special Squad UG, Munich*	100.00

In the reporting period, PANTAFLIX AG sold 49% of the shares in PANTAFLIX Studios GmbH and acquired a further 44% of the shares in PantaSounds.

* Wholly owned subsidiary of PANTALEON Films GmbH

CONSOLIDATION METHODS

The fiscal year of the Group and of all its consolidated entities is the calendar year, as a consequence of which the reporting date of the separate financial statements of all entities included in the Consolidated Financial Statements is the same as the reporting date of the Consolidated Financial Statements.

Capital consolidation takes place applying the revaluation method. Accordingly, the acquisition costs of investments are offset against the fair value of the acquired assets and liabilities under disclosure of all hidden reserves, including those attributable to non-controlling interests, at the date of the acquisition of the shares. Increases or decreases in interests in subsidiaries are recognized directly in equity in the capital reserve.

Receivables, liabilities and other obligations between consolidated entities are offset against each other. Internal revenues and other income from relationships between consolidated entities are offset against attributable expenses unless these are of only subordinate importance for presenting a true and fair view of the Group’s earnings situation.

Interim profits from intra-Group business relationships and services are eliminated unless they are of subordinate importance for the Group.

ACCOUNTING POLICIES

The accounting policies applied to the PANTAFLIX Group’s Interim Consolidated Financial Statements are consistent with those presented in the Consolidated Financial Statements as of December 31, 2020. For this reason, the Interim Consolidated Financial Statements as of June 30, 2021, are to be read in conjunction with the Consolidated Financial Statements as of December 31, 2020.

DISCLOSURES AND NOTES ON INDIVIDUAL ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Intangible assets include borrowing costs of EUR 93 thousand (2020: EUR 117 thousand) capitalized as costs of production in the year under review.

All receivables and other assets are due within one year, as in the previous year.

Other provisions relate mainly to outstanding invoices. Furthermore, costs for the preparation and auditing of financial statements as well as accruals for vacation are reported.

The liabilities have the following remaining terms to maturity:

in EUR (2020: in EUR thousand)	Total	less than 1 year	1 - 5 years	more than 5 years
Liabilities to banks	8,174,807 (2020: 9,402)	6,174,807 (2020: 7,402)	2,000,000 (2020: 2,000)	0.00 (2020: 0)
Prepayments received on orders	10,751,815 (2020: 25,325)	9,751,815 (2020: 24,325)	1,000,000 (2020: 1,000)	0.00 (2020: 0)
Trade payables	1,473,428 (2020: 1,525)	1,473,428 (2020: 1,525)	0.00 (2020: 0)	0.00 (2020: 0)
Other liabilities	1,206,692 (2020: 2,222)	1,206,692 (2020: 2,222)	0.00 (2020: 0)	0.00 (2020: 0)
Total	21,606,742 (2020: 38,474)	18,606,742 (2020: 35,474)	3,000,000 (2020: 3,000)	0.00 (2020: 0)

Bank balances of EUR 100 thousand are restricted as of December 31, 2021.

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

The Group's revenues are generated primarily from the exploitation and sale of copyrights to film titles.

OTHER DISCLOSURES

MANAGEMENT BOARD

- NICOLAS SEBASTIAN PAALZOW, businessman, Munich
- STEPHANIE SCHETTLER-KÖHLER, businesswoman, Munich (as of August 2, 2021)

With reference to Section 286 (4) of the German Commercial Code (HGB), the total remuneration of the Management Board is not disclosed.

SUPERVISORY BOARD

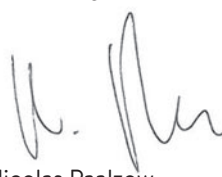
- MARCUS BORIS MACHURA, attorney, self-employed, Chairman of the Supervisory Board
- MARC SCHÖNBERGER, attorney/partner in the law firm and notary's office of Schönberger & Dielmann, Deputy Chairman of the Supervisory Board
- KLEMENS HALLMANN, Managing Director of HALLMANN HOLDING International Investment GmbH

NUMBER OF EMPLOYEES

The average number of employees in the period under review was 55 (2020: 147). In the previous year, a larger number of project-based employees had been employed.

Munich, October 8, 2021

The Management Board



Nicolas Paalzow
CEO



Stephanie Schettler-Köhler
COO

NOTE ON LIABILITY

PANTAFLIX

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This is a translation of the German “Halbjahresbericht 2021” of PANTAFLIX AG. Sole authoritative and universally valid version is the German language document.