

PANTAFLIX

HALF-YEAR REPORT

2023

ABOUT PANTAFLIX AG

PANTAFLIX Group is an entertainment company focused on the creation and production of film and series content. In addition to classic film production business, our focus in the future will be on the production of content using AI (artificial intelligence). With over a decade of experience in the production of award-winning films and series at PANTALEON Films, along with our expert team at Storybook Studios, which creates AI-generated content, PANTAFLIX is well positioned to provide cutting-edge, contemporary entertainment.

The PANTAFLIX Group cooperates with renowned partners such as Amazon, Disney, Sky, Netflix, Degeto, Paramount and Warner Bros. The Group has offices in Munich and Berlin.

PANTAFLIX AG is listed on the Frankfurt Securities Exchange under the XETRA symbol PAL and the ISIN DE000A12UPJ7.

For further information, visit www.pantaflixgroup.com.

CONTENTS

To the shareholders

Foreword by the management board	2
PANTAFLIX on the capital market	4

Interim Group management report

Macroeconomic and industry-specific conditions	7
Course of business	8
Outlook, risk and opportunity report	9

Interim Consolidated financial statements

Consolidated balance sheet	10
Consolidated income statement	12
Notes to the consolidated financial statements	13

Disclaimer and imprint	16
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DEAR SHAREHOLDERS,



Stephanie Schettler-Köhler
Management Board

In the first half of 2023 we made significant changes and groundbreaking decisions for the PANTAFLIX Group that will take us back to our origins and at the same time make us a pioneer in the field of applying artificial intelligence in the entertainment sector. For us, this means concentrating on our core competencies – those areas in which we have been doing excellent work for years: the production of high-quality films and series in the high-end segment. AI allows us to work far more cost- and time-efficiently on global products.

CREATIVE FILM PROJECTS

In the first half of the 2023 business year, we worked on various exciting projects for viewers. Among them were 791KM, a comedy drama for the cinema starring German film greats Iris Berben and Joachim Król. Theatrical release is scheduled for December of this year. During the reporting period we also completed the eight-part thriller series „UNWANTED“, commissioned by Sky Studios Original and directed by Oliver Hirschbiegel, „UNWANTED“ will be available on the WOW streaming platform and Sky Q from November 2023.

The comedy TRAUZEUGEN, produced in cooperation with Paramount, made its successful theatrical debut on September 14, 2023. In addition, shooting began in Prague for the anti-war film „TIGER“, commissioned by Amazon.

SUCCESSFUL OPERATING RESULTS IN THE FIRST HALF OF THE YEAR

In the first half of 2023, revenue increased to EUR 21,197 thousand (first half of 2022: EUR 8,804 thousand). Total operating revenue, including other operating income, increased to EUR 21,196 thousand (first half of 2022: EUR 10,011 thousand). EBIT also improved to EUR -734 thousand (first half of 2022: EUR -2,815 thousand). Cash and cash equivalents increased to EUR 17,603 thousand as of June 30, 2023, due to production-related factors and cash capital increases implemented during the half-year under review (December 31, 2022: EUR 15,644 thousand).

HEADING FOR THE CONTENT REVOLUTION

Numerous breakthroughs in the application of artificial intelligence (AI) are opening up interesting possibilities and opportunities for us. This basically includes all the steps in film and series production, from story development and production of moving images to final production of our products, including music and visual effects (VFX). With our subsidiary Storybook Studios, we are active in all these areas. In close coordination with a global network of researchers and film producers, we are making conventional processes much more efficient, which will open up completely new approaches in scalable and larger formats.

ADJUSTED FORECASTS

Our business fared very well during the first half of the year, and the revenue forecast for the 2023 business year therefore remains at between EUR 29.5 million and EUR 33.5 million. Our adjusted forecast for EBIT is between EUR -3.7 million and EUR -3.0 million (previous forecast: EUR -3.7 million to EUR -1.5 million), taking into account the fact that we have halted the negotiations for the sale of PANTAFLIX Technologies.

We would like to take this opportunity to thank our employees for their hard work, creativity and commitment to our company. Special recognition is owed to Nicolas Paalzow, former CEO and Chairman of the Management Board of PANTAFLIX AG, who resigned from his position by mutual agreement as of June 30, 2023, as part of our concentration of business activities on film and series productions.

We would like to thank our valued shareholders for the trust you have placed in us. Your investment and trust enable PANTAFLIX to unleash creativity and actively shape the film and entertainment world. We are pushing firmly ahead with the implementation of the new PANTAFLIX strategy, to open up further avenues of growth for our company.

Best wishes,



Stephanie Schettler-Köhler
Management Board

THE PANTAFLIX AG SHARE

THE PANTAFLIX AG SHARE

The PANTAFLIX AG share is listed on Scale, the EU-registered SME growth market in the Open Market of the Frankfurt Stock Exchange. Scale, Deutsche Börse's segment for small and medium-sized enterprises, is an alternative to the EU-regulated segments, providing access to investors and an efficient route to equity financing for young growth companies.

PRICE TRENDS IN FIRST HALF OF 2023

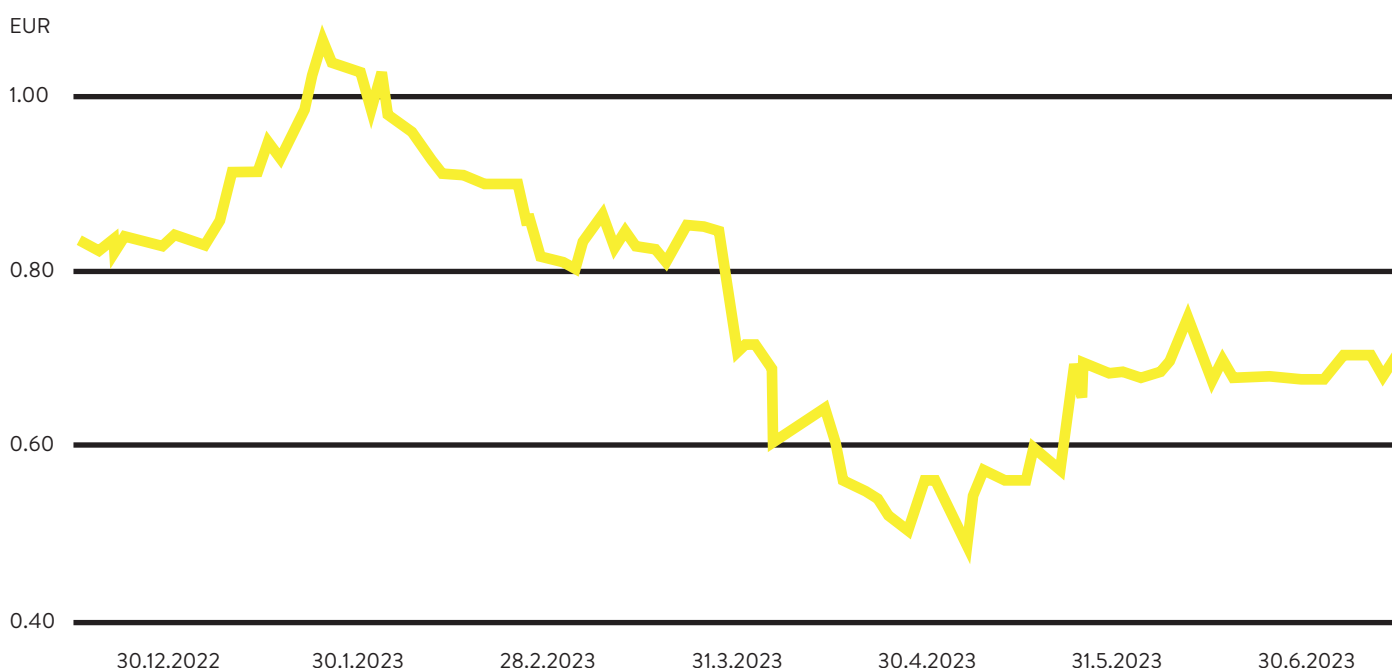
Trends on international stock markets were positive overall in the first half of 2023, despite the key interest rate increases by the US Federal Reserve and the European Central Bank. Good economic data, falling inflation rates, and stable corporate profit margins had a particularly positive effect at the start of the year. While stock markets in the USA continued to benefit from surprisingly positive economic data, economic weaknesses in China and Europe became apparent in the second quarter. The DAX posted a net gain of 12.3% in the first half of 2023. The Scale All Share Index, which also includes PANTAFLIX shares, fell by -0.62% during the period.

The PANTAFLIX share opened the 2023 trading half-year at EUR 0.80. The share reached its high on February 3 at EUR 1.08 and its low on May 2 at EUR 0.48 (all data: Xetra prices). On June 30, the share ended first half of the year trading at EUR 0.70. Over the six-month period, the PANTAFLIX share fell 12.5%.

In the first six months of 2023, an average of 6,542 PANTAFLIX shares were traded per day on all German stock exchanges, compared to an average of 7,120 shares in the full year 2022.

On June 30, 2023, the market capitalization of PANTAFLIX AG, based on 21,288,879 shares and a closing price of EUR 0.70, was around EUR 14.9 million. As of December 31, 2022, the market capitalization, based on 20,888,879 shares, was EUR 17.3 million.

PANTAFLIX SHARE PRICE PERFORMANCE IN FIRST HALF OF 2023



SHARE PRICE DEVELOPMENT IN H1/2023

Opening price	January 2, 2023	EUR 0.80
Low	May 2, 2023	EUR 0.48
High	February 03, 2023	EUR 1.08
Closing price	June 30, 2023	EUR 0.70
Market capitalization	June 30, 2023	EUR 14.9 Mio,
Share price development		-12.5 %

As designated sponsor, Hauck Aufhäuser Lampe Privatbank AG provides binding bid and ask prices, thereby ensuring the tradability of the PANTAFLIX share. Further information is available to interested investors in the Investor Relations section of www.pantaflixgroup.com.

SHARE INFORMATION

Exchanges	Xetra, Frankfurt
Symbol	PAL
Total number of shares*	21,288,879
Amount of share capital*	EUR 21,288,879.00
ISIN	DE000A12UPJ7
GSIN	A12UPJ
Market segment	Open Market
Transparency level	Scale
Designated sponsor	Hauck & Aufhäuser Lampe Privatbank AG

*) as of: June 30, 2023

INVESTOR RELATIONS

As a listed company, PANTAFLIX AG maintains ongoing communication with all stakeholders, including investors, private investors and financial analysts. Further information is available to interested investors at www.pantaflixgroup.com.

EXTRAORDINARY GENERAL MEETING

PANTAFLIX AG held an extraordinary general meeting on May 15, 2023. The meeting agenda was as follows: reporting a loss amounting to half of share capital; reductions in the remuneration of the Supervisory Board; and amendments to the Articles of Association concerning preclusion of preemption rights from 2022 authorized capital, as part of the approval of the capital increase.

ORDINARY ANNUAL GENERAL MEETING

After the end of the reporting period on August 17, 2023, PANTAFLIX AG held its Annual General Meeting at Börse München as a physical event.

The shareholders approved all of the management's proposed resolutions with large majorities and ratified the actions of the Management Board and Supervisory Board. The proportion of share capital capable of quorum totaled 76.36% at the time of voting. A key item on the agenda was the election of PANTAFLIX founder Dan Maag to the Supervisory Board. Stephanie Schettler-Köhler, CEO of PANTAFLIX AG, summarized the challenges of the past business year 2022 and reported on the company's future in a changing film industry, in particular with regard to the use of AI in production processes, as a means to fully exploit creative potential.

The voting results of the 2023 Annual General Meeting are available on the company website (www.pantaflixgroup.com).

ANALYST RESEARCH

The PANTAFLIX AG share was covered by Montega Research and Alster Research in the reporting period. Both analyst firms are fully abreast of our strategic realignment resulting from our withdrawal from streaming business. On March 30, analyst Alexander Zienkowitz from Alster Research issued a 'buy' recommendation, with a target price of EUR 1.55. Montega analysts Nils Scharwächter and Tim Kruse issued a 'hold' recommendation with a target price of EUR 0.75.

After the half-year results as of June 30 were published, Montega issued an update in July 2023, confirming the 'hold' recommendation and the target price.

CASH CAPITAL INCREASE

In the first half of 2023, various cash capital increases totaling EUR 4,175,039.00 were approved, to strengthen the balance sheet and finance growth. The share capital shown in the commercial register as of June 30, 2023 was EUR 21,288,879.00.

NON-CASH CAPITAL INCREASE

After the reporting period, a non-cash capital increase was carried out, by issuing a total of 500,000 new no-par value bearer shares at an issue price of EUR 1.00 per share. This was entered in the commercial register on August 31, 2023.

All capital increases have been entered in the commercial register, and share capital now amounts to EUR 25,563,918.00.

FINANCIAL CALENDAR 2023

May 15, 2023

Extraordinary General Meeting

June 2023

Publication of 2022 Annual Report

August 17, 2023

Annual General Meeting

August 24, 2023

Hamburg Investors' Day

September 29, 2023

Publication of Half-Year Report

October 5, 2023

Earnings Call regarding Publication of 2023 Half-Year Report

MACROECONOMIC AND INDUSTRY-RELATED CONDITIONS

The global economic situation and growth in Europe and Germany have a significant influence on the activities of the PANTAFlix Group, particularly with regard to the development, production and global exploitation of new films and series and resulting rights.

In the first half of 2023, the economic situation improved somewhat. In view of the more positive general conditions, in its July forecast the International Monetary Fund raised its forecast for the full year 2023 to 3.0%, up by 2.8% relative to its previous forecast in April 2023. The IMF attributes this adjustment to strong household spending in the USA, declining energy prices, from which European countries in particular benefited in the first half of the year, and widespread recovery of supply chains.

For the euro zone too, the IMF now expects growth of 0.9% for 2023 as a whole. In the spring, the forecast was 0.8%. However, the IMF expects the German economy to contract by -0.3% in the current year (April 2023: -0.2%). In 2024 the German economy is expected to grow again by 1.3%.¹

In August of 2023, PricewaterhouseCoopers published its Global Entertainment & Media Outlook 2023-2027. PwC forecasts an increase in total spending by global streaming providers such as Netflix, Apple TV+, Amazon Prime, Paramount+, Disney+ and Max of more than 14%, to a total of USD 26.5 billion in 2023. Last year, the increase was around 45%, to USD 23.2 billion, which was due to the economic recovery following the Covid-19 pandemic.

The global entertainment and media market is expected to grow by an average of 3.4% between 2023 and 2027, to a total of USD 2.7 trillion, according to PwC. PwC projects total revenues of USD 2.4 trillion in 2023, of which USD 1.6 trillion will be digital revenues and USD 802.0 billion will be non-digital revenues. According to the report, digital revenues are expected to grow much more dynamically than non-digital revenues, with AI as the main driver of growth, as it impacted all sectors in the first half of 2023.²

According to the German Federal Film Board (FFA) the German cinema market fared well during the first half of the year. Between January and June 2023, approximately 45.2 million tickets were sold at the German box office, resulting in revenues of 455 million euros. That represents an increase of 36.2% in tickets sold and 48.9% in revenue versus the same period last year. Versus the six months of 2019 prior to the pandemic, 15.7% fewer tickets were sold and 1.4% less revenue was generated. According to the FFA, German cinemas are on track to return to pre-pandemic levels.³

1 <https://www.imf.org/-/media/Files/Publications/WEO/2023/Update/July/English/text.ashx>

2 <https://www.pwc.com/gx/en/industries/tmt/media/outlook/insights-and-perspectives.html>

3 <https://www.ffa.de/pressemitteilungen-detailseite/ffa-kinobilanz-fuer-das-erste-halbjahr-2023-das-kino-ist-zurueck.html>

COURSE OF BUSINESS

RESULTS OF OPERATIONS, FINANCIAL POSITION, AND ASSETS

In the first half of 2023 the PANTAFLIX Group worked on the following productions:

This includes the theatrical film „791 KM“, for which filming was completed in the first half of the year. It is currently in post-production. The series „UNWANTED“ was completed in the first half of the year. Shooting was prepared for the anti-war film „TIGER“ for Amazon and is now in progress.

During the first half of 2023 the PANTAFLIX Group generated revenue of EUR 21,197 thousand (H1 2022: EUR 8,804 thousand) and total operating performance, including other operating income, totaling EUR 21,196 thousand (first half of 2022: EUR 10,011 thousand).

The significant increase is due to the successful work on film and series projects, in particular the series „UNWANTED“.

The table below shows the revenues, total operating performance and EBIT of the individual business areas in the reporting period.

BUSINESS UNITS PERFORMANCE IN FIRST HALF OF 2023

EUR thousand	Revenue	Total performance	EBIT
Platform	372	379	-462
Production	19,459	19,586	604
Adjacent Business	1,363	1,211	-143
Management	3	20	-733
Group	21,197	21,196	-734

Materials costs fell to EUR 1,596 thousand (first half of 2022: EUR 1,980 thousand), mainly thanks to a decrease in outsourced productions versus in-house and co-productions. The materials costs include expenses for commissioned productions, co-producers' shares in the proceeds from film rights, and subsequent expenses for completed projects.

Personnel costs fell to EUR 2,164 thousand (first half of 2022: EUR 2,327 thousand).

Depreciation and amortization, mainly on internally generated intangible assets, especially in connection with completed and revenue-generating in-house productions, amounted to EUR 17,042 thousand (first half of 2022: EUR 7,166 thousand). Amortization of acquired intangible non-current assets and depreciation of tangible non-current assets play only a minor role. No significant change in the utilization profile is expected over time.

EBIT improved to EUR -734 thousand (first half of 2022: EUR -2,815 thousand), in particular thanks to the positive project position following completion of in-house and co-productions. To increase profitability, PANTAFLIX has made cost reductions in various areas. These are expected to have an impact in the second half of the year and will take full effect in 2024.

Consolidated total assets decreased to EUR 40,193 thousand as of June 30, 2023 (December 31, 2022: EUR 51,609 thousand).

The decrease in non-current assets to EUR 10,865 thousand (December 31, 2022: EUR 26,440 thousand) is mainly due to lower payments for in-house and co-productions. At EUR 29,224 thousand, current assets were higher than at the end of the previous year (December 31, 2022: EUR 25,082 thousand). Changes in current assets are mainly due to the increase in other assets to EUR 5,945 thousand (December 31, 2022: EUR 1,359 thousand). That included in particular project-related receivables from foreign grants for the „UNWANTED“ project.

Trade receivables decreased to EUR 5,191 thousand (December 31, 2022: EUR 7,468 thousand).

Due to production-related factors and the capital increase in the first half of the year, cash and cash-equivalents increased to EUR 17,603 thousand (December 31, 2022: EUR 15,644 thousand).

As of the end of the first half of 2023, equity was at EUR 2,092 thousand (December 31, 2022: EUR 1,558 thousand). The equity ratio therefore increased to 5.2% (December 31, 2022: 3.0%).

As of June 30, 2023, liabilities to banks increased to EUR 31,164 thousand (December 31, 2022: EUR 29,254 thousand) due to ongoing or completed projects that have not yet been settled. Trade payables rose to EUR 839 thousand (December 31, 2022: EUR 1,957 thousand). Other liabilities, in particular contingently repayable film subsidy loans, third-party revenue shares and taxes, decreased to EUR 1,504 thousand (December 31, 2022: EUR 1,695 thousand).

OUTLOOK, RISK AND OPPORTUNITY REPORT

FUTURE OF THE PANTAFLIX GROUP – OUTLOOK THE PANTAFLIX

Group is well positioned to further strengthen its market position in film and series production. The entertainment market, which is expected to generate revenue of EUR 2.6 billion worldwide, continues to offer considerable growth potential. According to consulting firm PwC, the entertainment and media industry in Germany alone will probably exceed the EUR 70 billion revenue mark for the first time in the 2023 business year. Demand for high-quality productions from Germany remains high. PANTAFLIX Group is therefore focusing on the further development and expansion of its established film and series productions. In particular, the major theatrical and streaming projects for the German market and higher-budget international projects offer attractive earnings opportunities.

Just as in most project-based business, the particular form of accounting used in film and series production leads to reduced transparency and increased susceptibility to fluctuations. These factors will continue to have a significant impact on PANTAFLIX's future revenue and earnings.

In the context of integrating AI into production processes, after the end of the reporting period PANTAFLIX AG decided to halt the process of negotiating the sale of PANTAFLIX Technologies GmbH. We are therefore looking into how the video streaming technology developed by PANTAFLIX Technologies GmbH can be integrated into the Group's AI activities to enable more rapid marketing of content. As the business fared well in the first half of the year, the Management Board has confirmed that it anticipates revenue to be in the EUR 29.5–33.5 million range; total operating revenue is expected to increase to at least EUR 33 million (2022: EUR 23.2 million) for the current business year. The EBIT forecast is between EUR -3.7 and EUR -3.0 (previously: between EUR -3.7 million and EUR -1.5 million), taking into account the fact that we have halted the process of negotiating the sale of PANTAFLIX Technologies. This means the operating loss is expected to be at least halved versus the 2022 business year (EUR -7.9 million).

OPPORTUNITIES AND RISK REPORT

OVERALL RISK

PANTAFLIX AG's opportunities and risk situation has not changed significantly relative to what we described in the 2022 Annual Report, page 26 et seq.

There is potential for the risks we described to impact PANTAFLIX AG's earnings, assets and financial position.

The Management Board assumes that, despite the current risk situation, solvency is highly probable in the period under review. In particular, we wish to draw attention to the capital increases carried out in the first half of 2023. Despite this, the Company points out that a sustained deterioration in the earnings situation could give rise to liquidity risks and pose a threat to the Company's existence.

REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

In August 2023, by making partial use of the existing 2022 authorized capital, PANTAFLIX AG increased the company's share capital by EUR 500,000.00 by issuing 500,000 new no-par value bearer shares, in return for a non-cash contribution in the form of a receivable of EUR 500,000.00 due from the company in connection with remuneration of services relating to a film production. Insofar as the contribution value of the non-cash contribution exceeds the issue amount of the shares granted for this purpose, the difference will be transferred to the company's capital reserves.

Following entry of all cash and non-cash capital increases in the commercial register, the share capital amounts to EUR 25,563,918.00.

In September 2023, PANTAFLIX AG announced that it would merge its wholly-owned subsidiaries PantaSounds GmbH and PANTAFLIX Studios GmbH into PANTAFLIX AG, and recorded this in the Federal Gazette. Previously, PANTAFLIX AG had increased its share in PANTAFLIX Studios GmbH from 75.5% to 100% as of August 1 against payment of a symbolic acquisition price of EUR 1.00.

On September 18, 2023, PANTAFLIX AG (ISIN: DE000A12UPJ7) decided to halt the negotiations regarding the sale of its wholly-owned subsidiary PANTAFLIX Technologies GmbH. Those negotiations, which were announced in an ad-hoc announcement on March 29, 2023, will not be pursued any further, and PANTAFLIX Technologies GmbH will remain part of the PANTAFLIX Group.

Munich, September 29, 2023

The Management Board



Stephanie Schettler-Köhler
Management Board

CONSOLIDATED BALANCE SHEET

as of June 30, 2023

ASSETS	06/30/2023	12/31/2022
	EUR	EUR
A. FIXED ASSETS		
I. Intangible assets		
1. Internally generated industrial property rights and similar rights and assets	3,987,622.00	2,889,282.00
2. Purchased concessions, industrial property rights and similar rights an assets as well as licenses to such rights and assets	496,476.03	533,414.48
3. Goodwill	97,107.82	105,993.34
4. Advance payments made	6,167,235.33	22,772,292.43
	10,748,441.18	26,300,982.25
II. Tangible fixed assets		
1. Technical equipment and machinery	31,028.01	48,011.00
2. Other equipment, operating and office equipment	85,647.66	90,509.00
	116,675.67	138,520.00
	10,865,116.85	26,439,502.25
B. CURRENT ASSETS		
I. Inventories		
Work in progress	484,358.98	610,542.61
	484,358.98	610,542.61
II. Receivables and other assets		
1. Trade receivables	5,191,344.64	7,467,518.94
2. Other assets	5,945,069.08	1,359,069.07
	11,136,413.72	8,826,588.01
III. Cash-in-hand, bank balances	17,602,746.63	15,644,498.57
	29,223,519.33	25,081,629.19
C. PREPAID EXPENSES	104,061.67	87,838.23
	40,192,697.85	51,608,969.67

EQUITY AND LIABILITIES	06/30/2023	12/31/2022
	EUR	EUR
A. EQUITY		
I. Subscribed capital	22,198,879.00	20,888,879.00
II. Capital reserves	18,802,340.82	18,806,848.23
III. Revenue reserves		
Statutory reserves	14,268.80	14,268.80
IV. Consolidated unappropriated net loss	-38,648,793.75	-37,960,915.43
	2,366,694.87	1,749,080.60
V. Non-controlling interests	-274,618.62	-190,747.27
	2,092,076.25	1,558,333.33
B. PROVISIONS		
1. Tax provisions	2,930.25	2,968.25
2. Other provisions	608,150.07	1,167,542.07
	611,080.32	1,170,510.32
C. LIABILITIES		
1. Liabilities to banks	31,164,143.47	29,253,773.82
2. Prepayments received on orders	3,982,979.82	15,969,990.80
3. Trade payables	838,783.82	1,956,718.32
4. Other liabilities	1,503,634.17	1,694,853.33
- of which taxes EUR 112,792.65 (previous year: EUR 171,221,31)		
	37,489,541.28	48,875,336.27
D. DEFERRED INCOME		
Deferred income	0.00	4,789.75
	40,192,697.85	51,608,969.67

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to June 30, 2023

	01/01-06/30/2023	01/01-06/30/2022
	EUR	EUR
1. Revenue	21,196,687.18	8,803,806.24
2. Decrease in finished goods and work in progress	-126,183.63	-49,454.86
3. Other own work capitalized	0.00	197,600.00
4. Other operating income	125,600.68	1,058,612.65
5. Cost of materials		
Cost of purchased services	1,595,639.85	1,979,556.14
6. Personnel expenses		
a) Wages and salaries	1,824,461.59	2,019,250.69
b) Social security, pension schemes and other employee benefit costs	339,297.95	307,970.70
- of which from post-employment benefit costs: EUR 7,906.82 (previous year: EUR 7,101.18)		
	<u>2,163,759.54</u>	<u>2,327,221.39</u>
7. Depreciation, amortization and extraordinary write-downs extraordinary write-downs of tangible and intangible non-current assets	17,042,183.91	7,165,643.14
	<u>17,042,183.91</u>	<u>7,165,643.14</u>
8. Other operating income	1,128,785.16	1,353,637.05
9. Other interest and similar income	7,753.79	27,763.49
10. Taxes on income	31,735.06	-13,102.30
11. Earnings after taxes	-773,753.08	-2,830,080.88
12. Consolidated net loss for the year	-773,753.08	-2,830,080.88
13. Non-controlling interests in net result	85,874.76	123,080.58
14. Consolidated net loss	-687,878.32	-2,707,000.30
15. Consolidated net loss carried forward	-37,960,915.43	-30,081,054.11
16. Consolidated unappropriated net loss	-38,648,793.75	-32,788,054.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2023

GENERAL DISCLOSURES

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

In preparing its consolidated financial statements, PANTAFLIX complies with the provisions concerning recognition, measurement and disclosure set out in the German Commercial Code [HGB] and the German Stock Corporation Act [AktG].

Where there is an option to make a disclosure in the Balance Sheet or in the Notes regarding the Consolidated Financial Statements, we have made the disclosure in the latter.

The Income Statement was prepared using the nature of expense method.

The company’s shares have been listed on Deutsche Börse’s Scale market since March 1, 2017.

In accordance with Section 293 Commercial Code, PANTAFLIX AG is exempt from the obligation to prepare consolidated financial statements. These consolidated financial statements are prepared on a voluntary basis.

CONSOLIDATION METHODS AND CONSOLIDATED GROUP

The consolidated group encompasses 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 INTEREST IN %
PANTALEON Films GmbH, Munich	100.00
PANTAFLIX Studios GmbH, Munich*	75.50
PANTALEON Pictures GmbH Munich (from July 2023: Storybook Studios GmbH, Munich)	100.00
PANTAFLIX Technologies GmbH, Berlin	100.00
PantaSounds GmbH, Munich	100.00
Creative Cosmos 15 GmbH, Munich	56.00
The Special Squad UG. Munich**	100.00

* wholly-owned subsidiary of PANTAFLIX AG after end of reporting period

** wholly-owned subsidiary of PANTALEON Films GmbH

In the first half of 2023, PANTAFLIX AG reacquired a further 10% of the shares of PantaSounds GmbH.

CONSOLIDATION METHODS

The business year of the Group and all its consolidated entities is the calendar year, which means 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 is consolidated by applying the revaluation method. Accordingly, the acquisition costs of investments are offset against the fair value of the acquired assets and liabilities with disclosure of all hidden reserves, including those attributable to non-controlling interests, as of the date of the acquisition of the shares. Increases or decreases in interests in subsidiaries are recognized directly in equity, in the capital reserves.

Receivables, liabilities and other obligations between consolidated entities are offset against each other. Internal revenue and other income from relationships between consolidated entities are offset against attributable expenses, unless they are of only minor importance for the presentation of a true and fair view of the Group’s results.

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

ACCOUNTING AND VALUATION METHODS

The accounting methods used for PANTAFLIX Group interim consolidated financial statements are the same as those used for the consolidated financial statements as of December 31, 2022.

The interim consolidated financial statements as of June 30, 2023 should therefore be read in conjunction with the consolidated financial statements as of December 31, 2022.

DISCLOSURES AND NOTES REGARDING INDIVIDUAL ITEMS ON THE CONSOLIDATED BALANCE SHEET

In intangible assets, borrowing costs of EUR 353 thousand (2022: EUR 203 thousand) were capitalized as production costs during the reporting period.

Other assets include a project-related reallocation in the amount of EUR 5,479 thousand, as a result of which prepayments made under non-current assets decreased with no effect on profit or loss.

All receivables and other assets are due within one year, as was the case last year.

Other provisions relate mainly to outstanding invoices. Costs for the preparation and auditing of the financial statements, and vacation accruals, have also been reported.

Liabilities have the following times to maturity:

in EUR thousands	Total	less than 1 year	1 to 5 years	more than 5 years
Liabilities to banks	31,164 (2022: 29,254)	30,831 (2022: 28,587)	333 (2022: 667)	0 (2022: 0)
Advance payments received on orders	3,983 (2022: 15,970)	2,983 (2022: 14,970)	1,000 (2022: 1,000)	0 (2022: 0)
Liabilities from deliveries and services	839 (2022: 1,957)	839 (2022: 1,957)	0 (2022: 0)	0 (2022: 0)
Other liabilities	1,504 (2022: 1,695)	1,504 (2022: 1,695)	0 (2022: 0)	0 (2022: 0)
Total	37,490 (2022: 48,875)	36,156 (2022: 47,209)	1,333 (2022: 1,667)	0 (2022: 0)

Bank balances of EUR 100 thousand are restricted as of June 30, 2023.

NOTES REGARDING THE INCOME STATEMENT

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

Other operating income includes income from currency conversion in the amount of EUR 1 thousand. Other operating expenses include currency conversion expenses of EUR 0 thousand.

OTHER DISCLOSURES MANAGEMENT BOARD

■ STEPHANIE SCHETTLER-KÖHLER, businesswoman, Munich

■ NICOLAS SEBASTIAN PAALZOW, businessman, Munich (until June 30, 2023)

Both members of the Management Board have the power of sole representation and are exempt from the restrictions of Section 181 of the German Civil Code (BGB).

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

SUPERVISORY BOARD

■ DAN MAAG, businessman and film producer, Chairman of the Supervisory Board since August 18, 2023

■ MARCUS BORIS MACHURA, lawyer, self-employed, Chairman of the Supervisory Board until August 17, 2023 and Deputy Chairman since August 18, 2023

■ KERSTIN TROTTNOW, Group Director Finance, Holiday-Check Group AG, Deputy Chairwoman from May 16, 2023 to August 17, 2023, Supervisory Board Member thereafter

■ MARC SCHÖNBERGER, lawyer/partner in the law firm and notary's office Schönberger & Dielmann, Deputy Chairman until May 15, 2023. Supervisory Board thereafter, until August 17, 2023

NUMBER OF EMPLOYEES

The average number of employees during the reporting period was 78 (2022: 85).

Munich, September 29, 2023

The Management Board

A handwritten signature in black ink, appearing to read 'S. Schettler-Köhler', with a long horizontal flourish extending to the right.

Stephanie Schettler-Köhler
Management Board

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