2024

130

Universal registration document
Annual report

Gaumont born with cinema | 130 years of emotions

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UNIVERSAL REGISTRATION DOCUMENT
2024
ANNUAL REPORT

This document is a free translation into English of some contents included in the French Document d'enregistrement universel established in xHTML format and filed with the AMF (Autorité des marchés financiers, the French financial markets authority) on April 14, 2025.

The original French document is available on website of the society.

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

While French cinema did not regain its pre-Covid colors in 2024, it is showing its vitality, energy and diversity through its viewers, films and cinemas.

Firstly, we have the audiences. Modern viewers are undoubtedly more difficult to understand than their elders, as they watch films that the experts did not expect to be popular. These include *Un P'tit Truc en Plus*, *The Marching Band* and others produced with the aim of attracting as many people as possible, such as *The Count of Monte-Cristo*.

Secondly, we have the films. Through the few titles I have just mentioned, and all the others, it is clear that French cinema has succeeded in securing a market share of 44%, compared with 37% for American films.

Finally, we have the movie theaters, which attract viewers fed up with their home screens, or the small screens that they keep in their bags or pockets. While the “large movie theaters”, which primarily make a living from American blockbusters, have not regained their former luster, “small” and “medium-sized” theaters have had an excellent year.

France is an exception among Western countries. Elsewhere, attendance did not return to the same levels. The rules that we have imposed on ourselves, the support fund and ethical rules between broadcasters, such as the media schedule, have undoubtedly helped us and have driven the French culture sector.

The race is on to attract viewers on smaller screens. Gaumont participates in this race by providing series to platforms and television channels. Financial conditions are increasingly difficult, with everyone asking for more for less money…

Without going into international tensions, the change of Presidency in the United States affects many economic sectors. It is absolutely possible that the audiovisual sector may eventually feel the impact of this. We remain on guard.

Nicolas SEYDOUX, April 1, 2025

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

If 2024 is to be summed up by a masterfully orchestrated event, the 2024 Paris Olympic and Paralympic Games would be it. The success of the games has been recognized worldwide, and this success makes France proud. The French are full of pride, and we are the envy of the world for crafting the event so spectacularly while bringing our champions to the fore!

French movie theaters attendance still, however, continued to do well. Due to the many sporting events, we expected attendance to slow. This was not the case, and movie theaters achieved audiences of more than 182 million. They mainly came to see French films, some of which had exceptional success, including *Un P'tit Truc en Plus*, *The Count of Monte-Cristo*, *Beating Hearts*, *The Marching Band* and *Holy Cow*. These five films, which totaled almost 30 million cinema ticket sales, together with all of the other brilliant films which I do not have time to mention, show that the public enjoys a diverse range of films in different genres. Diversity is a cornerstone of French cinema. It shows its incredible success.

Paradoxically, in a year in which audiences were up, Gaumont is remarkable for its absence! Apart from one film that fulfilled its brief, *Cat and Dog* by Reem Kherici, the others were, unfortunately, all failures. 2024 was another bad year for Gaumont.

The audiovisual subsidiaries also posted poor results. Indeed, the series are postponed one after the other, and do not permit to generate any profits. The only Gaumont business activity that stands out is the catalog.

It is therefore time to change some of Gaumont's management methods. To succeed in returning to profit, I need to be as close as possible to the heart of our operations.

2025 is off to a positive start for Gaumont. *How to a Make a Killing* by Franck Dubosc is approaching one and a half million cinema ticket sales, and *My Mother, God and Sylvie Vartan* by Ken Scott is, at the time of writing, just exceeding one million cinema ticket sales.

We are far from the end of the year. Being able to reinvent and adapt seems essential to me in these changing times. I could not manage this company without efficient employees who are committed to doing their job and using their great savoir-faire. I thank them for that.

Sidonie DUMAS, April 6, 2025

1 PRESENTATION OF GAUMONT GROUP AND ITS ACTIVITIES

HISTORICAL BACKGROUND

1895 ➤ Filing of the bylaws for L. Gaumont et Cie.

1907 ➤ L. Gaumont et Cie was transformed into a French company and became Etablissements Gaumont (SEG).

1925 ➤ Creation of Gaumont Metro Goldwyn (GMG), in association with Metro Goldwyn Mayer, which distributes films in France.

1928 ➤ Dissolution of GMG.

1930 ➤ SEG creates Gaumont Franco Film Aubert (GFFA).

1938 ➤ GFFA becomes Société Nouvelle des Etablissements Gaumont (SNEG).

1948 ➤ SNEG is listed on the Paris Stock Exchange spot market.

1975 ➤ SNEG becomes Gaumont.

1993 ➤ Creation of Gaumont Buena Vista International, in association with Buena Vista International, a subsidiary of Disney, which distributes films in France.

2001 ➤ Creation of the leading French operator and one of the major players in European cinema, EuroPalaces, following the merger of the Gaumont and Pathé movie theater operations.

2002 ➤ Gaumont's acquisition of Télédis.

2003 ➤ Creation of Gaumont Video, Gaumont's video publisher.

Creation of Gaumont Pathé Archives following the merger of Gaumont and Pathé's film and audiovisual news archives, providing an essential hub for 20th century historical images.

2004 ➤ End of the partnership between Gaumont and Buena Vista International.

Creation of Gaumont Columbia TriStar Films, in association with Columbia TriStar Films, which distributes films in France.

Acquisition of Films du Livradois.

2007 ➤ Acquisition of LGM Participations and LGM Cinéma.

Acquisition of Arkéion Films.

Acquisition of Alphanim, one of the leading French producers of animated television series.

2008 ➤ Acquisition of Productions de la Guéville, now Autrement Productions.

Dissolution of Gaumont Columbia TriStar Films.

2010 ➤ EuroPalaces becomes Les Cinémas Gaumont Pathé.

Acquisition of the share capital of Légende.

Creation of Gaumont International Television in the United States to produce television series for the American and international market.

2012 ➤ Acquisition of NEF (Nouvelles Editions de Films) founded in 1956 and owner of almost all of Louis Malle's works.

2013 ➤ Acquisition of Fideline Films, a producer shareholder in Pierre Richard's main films.

2015 ➤ Gaumont International Television becomes Gaumont Television USA.

Alphanim becomes Gaumont Animation.

Creation of Gaumont Television UK in the United Kingdom, later renamed Gaumont Ltd.

2016 ➤ Buyout of Légende.

Creation of Gaumont Animation USA and Gaumont Films USA in the United States to complement Gaumont's international production activities.

2017 ➤ Creation of Gaumont GmbH in Germany.

Creation of Gaumont Distribution TV in the United States to distribute Gaumont's catalog of television programs worldwide.

Disposal to Pathé of the stake held in Les Cinémas Gaumont Pathé, marking the end of Gaumont's presence in the movie theater operations business.

2018 ➤ Acquisition of DD Catalog, a producer shareholder in Gérard Depardieu's main films.

2019 ➤ Acquisition of most of the Roissy Films catalog.

Sale to Pathé Films of the Pathé archive images catalog held by Gaumont Pathé Archives, and buyout of the stake held by Pathé in the renamed GP Archives. GP Archives manages the material and the marketing of the transferred movie and audiovisual news archives.

2021 ➤ Creation of Gaumont S.r.l. in Italy to complete Gaumont's presence in Europe.

KEY CONSOLIDATED FIGURES

(in millions of euros unless otherwise indicated)	IFRS STANDARDS 12.31.24	12.31.23	12.31.22	12.31.21	12.31.20
French movie production and distribution	***90.6***	***70.7***	***75.1***	***65.6***	***78.0***
Movie theaters France	7.4	13.9	11.7	17.1	7.3
Video on demand and video publishing in France	30.1	13.1	28.1	17.0	20.8
Television France	32.1	23.1	13.9	12.1	31.8
International sales	16.3	15.4	17.2	15.8	12.9
Other revenue from film distribution(1)	4.7	5.2	4.2	3.6	5.2
Audiovisual production and distribution	***51.1***	***92.2***	***133.3***	***194.6***	***72.6***
French and European audiovisual production and distribution	32.9	78.8	60.2	60.1	28.6
American audiovisual production and distribution	17.1	6.1	28.3	98.0	29.1
Animation	1.1	7.3	44.8	36.5	14.9
Real estate and holding businesses	***6.7***	***8.6***	***8.8***	***4.7***	***1.6***
Other miscellaneous income(2)	***1.7***	***0.7***	***0.8***	***1.3***	***1.8***
Revenue	150.1	172.2	217.9	266.2	154.0
Net income attributable to owners of the parent	-7.7	-3.7	-12.3	1.0	-16.8
Net income per share *(in euros)*	-2.5	-1.2	-3.9	0.3	-5.4
Equity attributable to owners of the parent	184.3	193.6	196.9	212.2	213.3
Dividend per share *(in euros)*	0.0(3)	0.0	0.0	0.0	0.0
Investments:					
Feature films	32.3	33.3	26.5	38.9	34.3
French and European audiovisual dramas	35.5	20.8	16.9	12.0	9.2
American audiovisual dramas	-	0.9	6.3	42.2	43.3
Animation	8.8	4.1	15.5	22.2	25.1
Consolidated shares	-	3.1	-	-	9.2(4)
Other	4.9	3.3	1.0	5.0	8.7
Investments	81.5	65.5	66.2	120.3	129.8

(1) Primarily includes the GP Archives business, spin-off products and music publishing.
(2) Primarily includes various services provided to third parties.
(3) Dividend proposed to the General Meeting of May 6, 2025.
(4) Of which payment of the final installment of $8 million for the acquisition of non-controlling interests for a total of $24 million in 2018.

SIMPLIFIED ORGANIZATION CHART OF THE GAUMONT GROUP

Feature film production and distribution

	12.31.24	12.31.23
Gaumont SA	-	-
Gaumont Vidéo SAS	100.00%	100.00%
Gaumont Films USA Llc	100.00%	100.00%
Éditions la Marguerite SARL	100.00%	100.00%
Gaumont Production SARL	100.00%	100.00%

Exploitation of audiovisual archives

	12.31.24	12.31.23
GP Archives SAS	100.00%	100.00%

Audiovisual production and distribution

	12.31.24	12.31.23
Gaumont Télévision SAS	100.00%	100.00%
Gaumont Television USA Llc	100.00%	100.00%
Gaumont Animation SAS	100.00%	100.00%
Gaumont Animation USA Llc	100.00%	100.00%
Gaumont GmbH	100.00%	100.00%
Gaumont Ltd	100.00%	100.00%
Gaumont Production Télévision SARL	100.00%	100.00%
Gaumont Production Animation SARL	100.00%	100.00%
Gaumont S.r.l.	100.00%	100.00%
Gaumont Stulio Z SAS	100.00%	100.00%
Gaumont (Film Club) Ltd	100.00%	-
Gaumont (Lolly) Ltd	100.00%	100.00%
Gaumont (Wives) Ltd	100.00%	100.00%
Jour Premier Production SAS	70.00%	70.00%
Gaumont production services SAS	100.00%	100.00%

MARKET OVERVIEW

Distribution of feature films

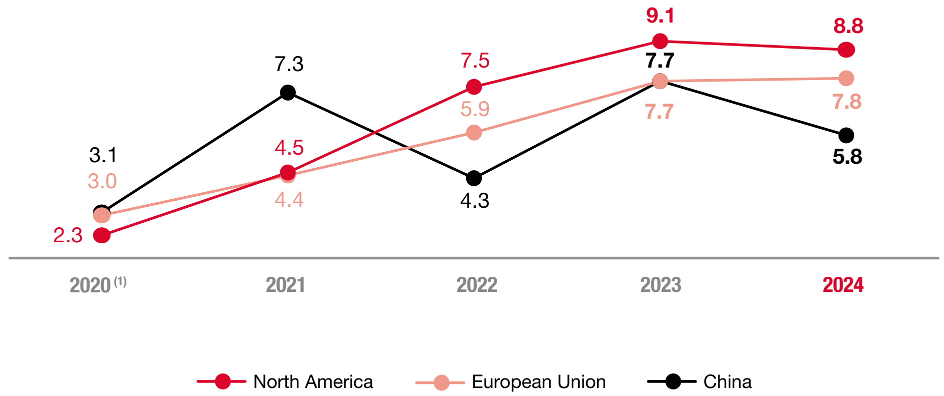
Despite the American offer being impacted by the 2023 screenwriter and actor strikes, 2024 movie theater audiences reached a level substantially similar to last year in North America and the European Union. The reduced American offer made it possible to spread successes throughout the year, and was above all an opportunity to see the emergence of many local productions in Europe. While footfall remains below pre-pandemic averages, the resilience of the market in such conditions allows us to hope for a satisfactory year in 2025, the first fiscal year since 2019 that will be impacted neither by the pandemic nor by american strikes.

2024 movie theater audiences around the world stood up to the effects of the strikes in Hollywood and the economic crisis in China

Cinema ticket sales held up in Europe and North America, but collapsed in China

The global box office amounted to $30 billion in 2024, a decrease of 7% compared to 2023. While this level remains 23% below the pre-pandemic (2017-2019) averages, the 2024 box office results should be put into perspective. Excluding the Chinese market which is affected by a lasting economic crisis, ticket sales are only down by 3% compared to 2023, which is a marked performance in a context of reduced blockbuster offerings following the 2023 American screenwriter strikes. With the return of certain blockbusters in the second half of the year, the last quarter of 2024, excluding the Chinese market, was also the strongest last quarter recorded in ten years.

› BOX OFFICE TRENDS IN NORTH AMERICA, CHINA AND THE EUROPEAN UNION *(in billions of dollars)*



(1) EU 2020 figure updated in the UNIC report of February 2021.

North America continues to lead the global box office with $8.8 billion in 2024, a decrease of 3% compared to last year. The consequences of the strike by screenwriters and actors were strongly felt in the first half of the year, which posted a decrease of 8% compared to the same period of 2023. However, the second half, helped by the return of a more sustained supply, ended with a 5% increase. The spacing of blockbuster releases had a beneficial effect by allowing each work to reach its audience. In December, for the first time since May 2019, four films exceeded $100 million in monthly revenue: *Moana 2*, *Wicked, Sonic the Hedgehog 3* and *Mufasa: The Lion King*. The three biggest hits of the year are *Inside Out 2*, *Deadpool & Wolverine* and *Despicable Me 4*.

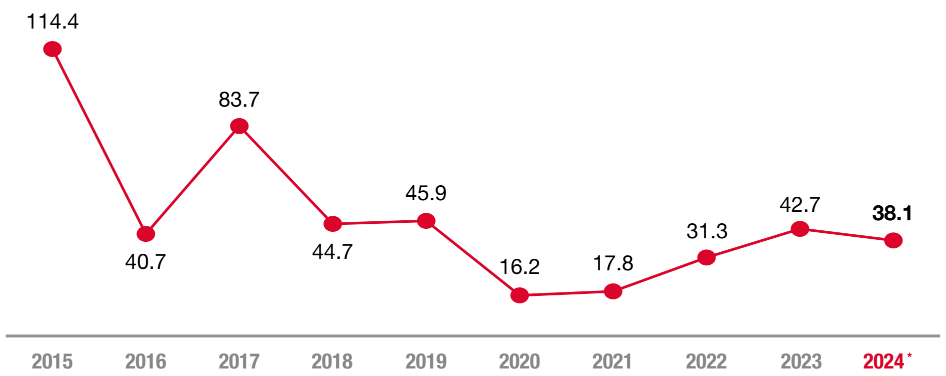
While the European Union also suffered from the absence of American productions in the first half of the year, it was able to count on a surge in local productions by its members, and posted a box office increase of 1% to $7.8 billion in 2024. 12 countries ended 2024 with better box office results than last year, including France, the United Kingdom, Ireland, Poland and Ukraine. In many countries, local productions are reaching unprecedented levels. In Bulgaria, thanks in part to the success of the film *Gundi: Legend of Love*, national productions tripled their market share compared to 2023 to reach 24% while in Finland, national productions achieved a record market share of 31.3%. The European market also benefited from the success of American productions, with *Vice-Versa 2* becoming the most successful animated film in history at the box office.

Finally, China, which for the third consecutive year has not achieved the first place it has occupied since 2019, recorded box office takings of $5.8 billion in 2024. This represents a drop of 25% compared to 2022, and is 27% below the 2017 to 2019 averages. The economic crisis that has shaken China throughout the past year has not spared the motion picture industry, as shown by the number of films produced: 612 films were produced in China compared to 792 in 2023. Demand is also down due to a slowdown in consumption. The government has launched several subsidy programs to boost the economy, including one specific to the motion picture industry. Banks and online booking platforms will spend $82 million to offer discounted tickets.

Sources: Deadline/Gower Street Analytics, January 2025; UNIC, February 2025.

French film audiences abroad are affected by the international backdrop of the industry, despite a diversified offer

› CHANGE IN THE NUMBER OF CINEMA TICKET SALES FOR FRENCH FILM EXPORTS *(in millions)*

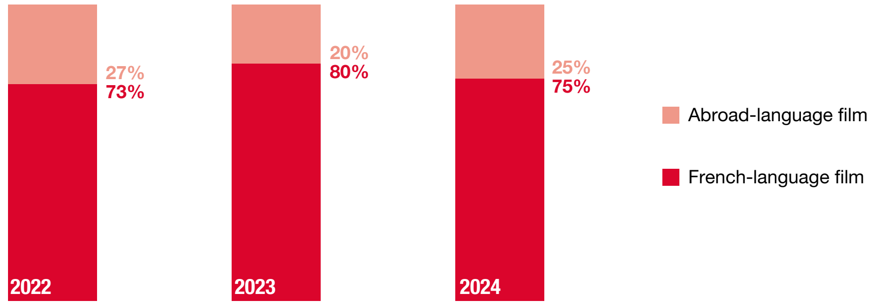


* *Provisional data.*

French films attracted 38.1 million viewers abroad and generated proceeds of €250 million. The number of cinema ticket sales and proceeds for French films were down by 10.8% and 7.8% respectively compared to 2023, a decrease in line with the global market trend, impacted by the limited American offer in the first half of the year. The absence of a success on par with *Miraculous, the film*, which attracted 7.1 million viewers last year, also explains the year-on-year decline. However, seven titles exceeded one million cinema ticket sales this year, *i.e.* as many as in 2022, 2019 and 2018. Among them, *La Passion de Dodin Bouffant* and *Anatomy of a Fall* continued their successful international journeys, with 1.4 million and 3.2 million cinema ticket sales respectively over the year. In terms of the films released during the year, *Autumn and the Black Jaguar* attracted 2.4 million viewers while *The Count of Monte Cristo* achieved the best performance of the year with 3.3 million viewers.

The figures for 2024 remain far removed from pre-pandemic levels, but the upheavals caused by it require a new perspective on the market. New trends in the international distribution of French films are developing, leaving behind the audience levels seen in the decade from 2010 to 2019. Platforms attract millions of viewers who would have previously been counted in movie theaters.

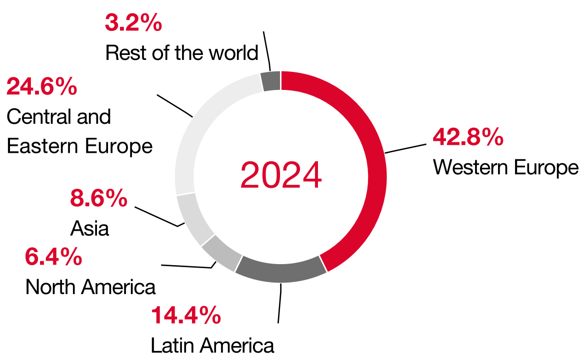
› BREAKDOWN OF CINEMA TICKET SALES FOR FRENCH FILMS BY ORIGINAL LANGUAGE



French-language films accounted for 75% of total cinema ticket sales, compared to 80% in 2023. This slight fall is due in particular to the film *Autumn and the Black Jaguar* – shot in English – appearing in the five best performances. The top five films, mainly French, accounted for 30% of cinema ticket sales abroad in 2024 compared to 38% last year. In the absence of a phenomenal success such as *Miraculous: The Movie*, the international success of French films is divided between various genres, with, for example, the emergence of adventure films and genre films.

Europe remained the preferred region for the export of French films in 2024

› BREAKDOWN BY GEOGRAPHICAL AREA OF CINEMA TICKET SALES FOR FRENCH FILMS ABROAD



With 16.3 million and 9.4 million cinema ticket sales respectively, Western Europe and Central and Eastern Europe remain the main outlet for French films abroad. These two regions accounted for nearly 67.4% of cinema ticket sales for French films seen abroad in 2024, compared to 79,2% in 2023. This slight decrease was in favor of Latin America, whose market share reached 14.4% with 5.5 million cinema ticket sales compared to 5.7% and 2.2 million cinema ticket sales respectively in 2023. This increase is due to the simultaneous release of the French successes of 2023 and 2024 in Latin American movie theaters. These three regions are followed by Asia, with 8.6% of cinema ticket sales, and North America, with 6.4% of cinema ticket sales.

› FRENCH CINEMA AUDIENCE BY COUNTRY

2024 RANK	2023 RANK	REGION	TOTAL CINEMA TICKET SALES 2024 *(in millions)*	% CHANGE IN CINEMA TICKET SALES 2024/2023	2024 PROCEEDS *(in millions of euros)*(1)
1	2	Germany	4.69	11.3%	21.70
2	1	Russia	4.19	-40.9%	34.40
3	NA	Mexico	2.93	NA	13.40
4	NA	Belgium and Luxembourg	2.40	NA	16.40
5	3	Poland	2.29	-29.7%	10.80

(1) Figures not final.

In terms of ranking by country, Germany leads with 4.7 million cinema ticket sales mainly for French productions, an increase of 11.3% compared to 2023. Russia came in second with 4.2 million cinema ticket sales, a 40% drop compared to the exceptional performance of 2023 enabled by the success of *Miraculous: The Movie*. Finally, Mexico climbed to third place and marked this successful year for the Latin America region with 2.9 million cinema ticket sales.

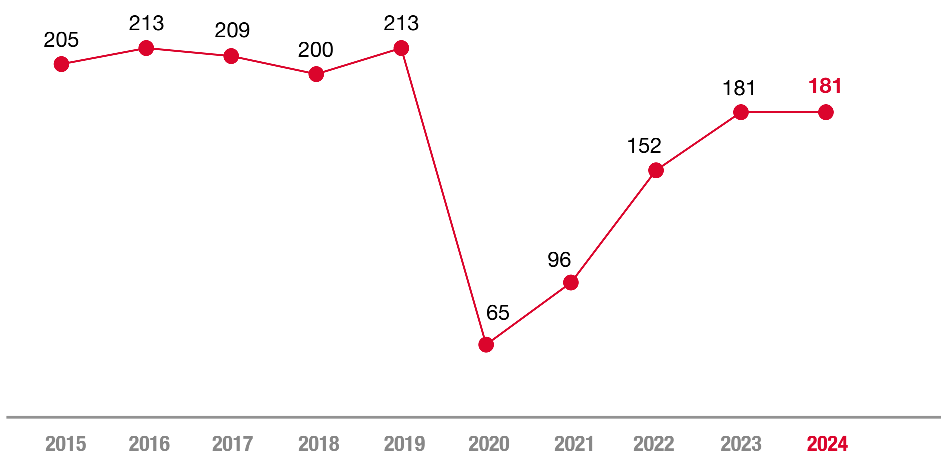
Source: Unifrance figures and trends for 2024, January 2025.

In France, an increase in movie theater audiences and a strong performance of French productions

Despite the difficult international backdrop, in 2024, movie theater audiences in France are at a comparable level compared to 2023, peaking at 181.3 million sales.

Like other European countries, this remarkable performance was accompanied by an exceptional year for local productions. Three French productions were among the five films with the most cinema ticket sales during the year: *Un P'tit Truc en Plus*, *The Count of Monte-Cristo* and *Beating Hearts*. Together, they achieved 25 million cinema ticket sales, a figure that had not been achieved since 2011 and twice as high as the total of the top three French films in 2023. Behind the top three, the entire French film offer can be proud of this year with a total of 80 million cinema ticket sales, and varied and unexpected successes. Among the winning feature films of the year are the comedies *The Marching Band and Open Season*, the biopic *Monsieur Aznavour*, the musical comedy *Emilia Pérez*, the documentary *Golo & Ritchie* and not forgetting *Holy Cow* and *Souleymane's story*, two films which, without conceding anything to their high standards, were able to find a large audience well beyond initial expectations.

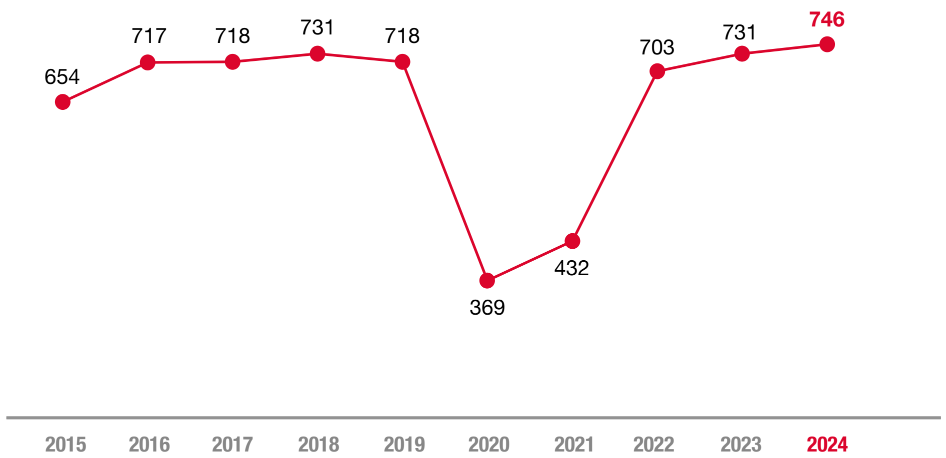
› CHANGE IN THE NUMBER OF CINEMA TICKET SALES *(in millions of sales)*



Movie theater audiences in France totaled 181 million in 2024, the same as last year. The first months of the year were marked by a difficult recovery in line with the global market. The months of February and April posted a decline of -16% and -36% respectively. From May, thanks to the national successes mentioned above and the return of big American releases such as *Inside Out 2*, the trend was reversed and therefore the last eight months of the year posted an increase of 11% compared to the same period last year.

Source: CNC Fréquentation cinématographique (Movie theater audiences) 2024, January 2025.

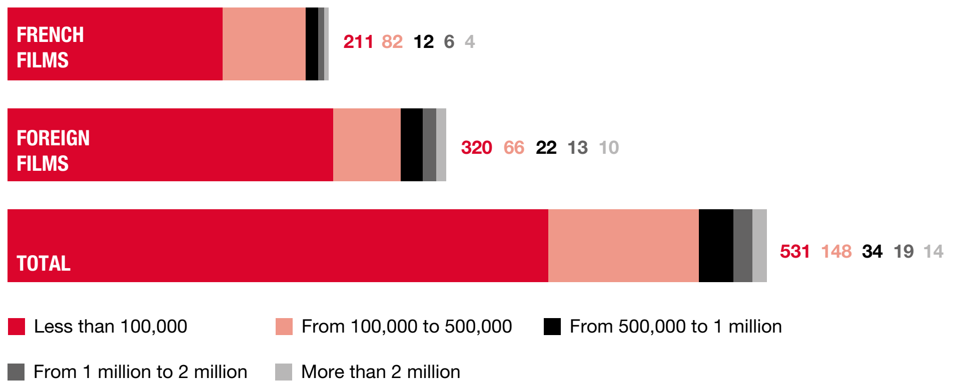
› CHANGE IN NUMBER OF FILMS RELEASED IN MOVIE THEATERS



The number of films released in movie theaters in 2024 was 746, including 315 French films and 431 foreign films, compared with 731 films, including 327 French films and 404 foreign films in 2023. In 2024, an average of 14 films were released per week. The 2024 figures are in line with the pre-pandemic figures.

Source: Le Film Français no. 4166, January 2025, CNC Fréquentation cinématographique 2024, December 2024.

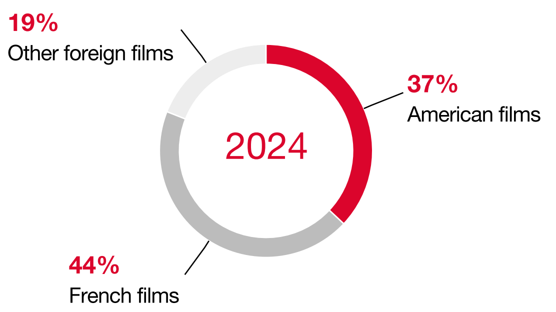
› BREAKDOWN OF FILMS BY NUMBER OF CINEMA TICKET SALES



In 2024, 33 films made more than one million cinema ticket sales, compared with 40 in 2023 and 27 in 2022. Of these, 14 films sold more than 2 million tickets. *Un P'tit Truc en Plus*, directed by Artus and released on May 1, had achieved 10.8 million cinema ticket sales as of December 31, 2024. This is the best result for a first French film since *Emmanuelle*, released in 1974. Next is *The Count of Monte-Cristo*, which attracted nearly 9.4 million viewers. In third place on the podium is *Inside Out 2* with 8.5 million cinema ticket sales. The third French film to appear among the ten films with the most sales was *Beating Hearts*, in fifth position with 4.8 million cinema ticket sales. In 2024, 458 films achieved less than 50,000 cinema ticket sales, *i.e.* 63% of the number of films released during the year compared with 59% in 2023.

Source: Le Film Français no. 4166, January 2025.

› MARKET SHARE OF FILMS RELEASED IN FRANCE BY NATIONALITY IN 2024
(in number of cinema ticket sales)



In 2024, French films accounted for 44% of the market, compared to 40% in 2023. This is the best level recorded since 2008, which recorded a market share of 45% thanks to the releases of *Welcome to the Sticks* and *Astérix at the Olympic Games*, and is well above the pre-pandemic average of 37%. Conversely, the share of American films is only 37%, a direct consequence of the writers' strike. From 2017 to 2019, the average market share of American films was around 50%.

Source: CNC Fréquentation cinématographique 2024, December 2024.

However, distribution in France remains dominated by American studio subsidiaries.

In 2024, the distributors with the highest number of cinema ticket sales in France were The Walt Disney Company France and Warner Bros. Discovery France. The Walt Disney Company France represents 15.2% of the market with 28 million viewers, while Warner Bros. Discovery France represents 9.9% of the market with 18.2 million viewers. Two French distributors, Pathé and Pan Distribution featured in the top five distributors in third and five position respectively. The top five distributors in 2024 accounted for 47% of the market in terms of cinema ticket sales achieved compared to 54% in 2023.

Source: Le Film Français no. 4166, January 2025.

2024 RANK	20223 RANK	DISTRIBUTOR	TOTAL CINEMA TICKET SALES 2024 *(in millions of sales)*	MARKET SHARE
1	1	The Walt Disney Company France	28.0	15.2%
2	3	Warner Bros. Discovery France	18.2	9.9%
3	4	Pathé	15.2	8.2%
4	8	Universal Pictures International France	14.0	7.6%
5	20	Pan Distribution	11.5	6.2%
6	5	Paramount Pictures France	9.7	5.2%
7	7	SND	9.6	5.2%
8	8	Sony Pictures Entertainment France	9.5	5.2%
9	6	Studiocanal	9.4	5.1%
10	12	Apollo Films Distribution	5.2	2.8%

French Television audiences of feature films are regaining their dynamism

After two consecutive years with only two films among the top 100 TV audiences of the year in France, four films are in this ranking in 2024, *i.e.* as many as in 2021. The highest viewing figures for a cinema film was achieved by *Retirement Home* on TF1, with 7 million viewers, *i.e.* the 37th largest audience of the year. The three other films, also French, are *Serial (Bad) Weddings 3*, *Welcome to the Sticks* and *French Fried Vacation*, all broadcast on TF1, with the first attracting 6.6 million viewers and the second two 5.9 million.

Alongside the other free-to-air channels, France 2 achieved its best cinema audience of the year with *You Are So Beautiful*, which attracted 5.3 million viewers. Films co-produced by the Group more recently also achieved good audience scores, such as *Price of Parenting*, *Licence to Build* and *November*, which respectively attracted 5 million, 4.6 million and 4.4 million viewers. On France 3, four new co-productions attracted more than 2 million viewers, including *Delicious and The Rose Maker*.

Finally, on M6, the film *Employee of the Month* attracted 2.6 million viewers while *Finally Retired!* and *When Granny Meets Granpa*, despite below-par results in theaters, netted 2 million and 1.8 million viewers respectively.

› BEST FILM AUDIENCES FOR FRENCH CHANNELS IN 2024

RANK	TITLE	CHANNEL	AUDIENCE *(in millions of viewers)*
1	Retirement Home	TF1	7.0
2	Serial (Bad) Weddings 3	TF1	6.6
3	Welcome to the Sticks	TF1	5.9
4	French Fried Vacation	TF1	5.9

Source: EcranTotal-Médiamétrie, Les 100 meilleures audiences 2024 (The 100 best audiences 2024), December 31, 2024.

Feature film production in France

The production of feature films in France goes hand-in-hand with the search for financing. The existence and visibility of films relies heavily on the purchase of pre-sales by television channels and, in recent years, by video on demand platforms. Unlike the CNC's automatic support, this source of financing for French cinema is neither automatic nor capped, and the outlook for the coming years is based on a review of the amounts invested by the channels and their editorial line.

Pre-sales of feature films form part of the media schedule, with an agreement setting the order and duration of permitted distribution after a film is released in theaters for each actor or group of actors. With regard to the broadcasting of feature films on television channels and video on demand subscription platforms, these dates and durations are set according to their level of investment in French film production.

The media schedule faces the challenge of platforms and the expiration of the Canal+ group agreement

Expiration of the media schedule planned for the end of 2024

At the end of 2024, the media schedule as negotiated in 2022 expires and with it the provisions concerning broadcasting on television channels and video on demand subscription platforms.

In the current schedule, pay-TV cinema channels benefit from a first release window from nine months after the film's release in theaters without an agreement, or from six months in the event of an inter-professional agreement, as is the case for Canal+ OCS. A second release window is then set from 17 months without agreement and 15 months with agreement.

Video on demand subscription platforms benefit from a release window starting at 17 months without an agreement, with an obligation to invest 20% in audiovisual and film production, with at least 20% of this investment going to films, or from 15 months with an agreement, as in the case with Netflix. This period may be reduced to a shorter period in the event of an agreement, but it must remain longer than six months, which is exclusive to the Canal+ OCS agreement.

Finally, free-to-air television channels may broadcast feature films from 22 months after the film's release in theaters if the channel invests at least 3.2% of its revenue in film production. This is the case for all terrestrial channels.

The expiration of the media schedule, combined with uncertainty around the Canal+ model and new negotiations with video on demand subscription platforms, represents a real challenge for film production, which must successfully integrate new players into its ecosystem without jeopardizing its relationships with historical players.

At the beginning of February 2025, the media schedule negotiated in 2022 was renewed without any changes, insofar as the parties considered that it was still too early to measure any tangible effects.

Disney+ is moving towards a new model, marking a turning point for platforms…

In the final months of the year, in this context of the expiration of the media schedule, Disney+ entered into negotiations with a view to making a more substantial commitment to feature film creation. The agreement currently being negotiated with professional organizations could allow the platform to bring forward the media schedule, *i.e.* six or nine months after release in theaters compared to the current 17 months (an advance of at least eight months). In return, Disney+ would make a greater commitment to French film creation compared to the current €13 million.

This agreement would enable the platform to upload films from The Walt Disney Company France studio, the leading distributor in the French market. These negotiations are a logical follow-up to the decision taken in early November by the group to end the existing partnership between Disney and Canal+ which allowed the channel to broadcast the studio's films. However, this is an unexpected turnaround on the part of the group, which had, in recent years, shown its reluctance to comply with the regulations and had, for example, preferred not to release *Strange World* in movie theaters at the end of 2022 in order to not have to wait 17 months before offering it online.

Such a comprehensive agreement between French cinema and a video on demand subscription platform would be unprecedented and encouraging for French film production. It could also encourage other platforms to follow suit. In 2022, Netflix had signed an agreement to provide at least €30 million per year in 10 films in exchange for bringing forward its release window to 15 months after release in theaters. This agreement is being renegotiated and Netflix has already announced, in line with Disney+, that it wishes to reduce its waiting period to 12 months after release in theaters.

An agreement with the Disney+ platform was signed on January 29, 2025 to bring forward its release window to nine months after release in theaters. In return, Disney+ undertakes to invest 25% of its revenue in French film and audiovisual creation. In 2025, the amount would be distributed equally before increasing the intensity of investment in film production to 14% in 2026 and 2027. For film production, this represents an investment of €115 million over three years in purchase and pre-purchase, for a minimum of 70 films.

…which destabilizes the agreement with the Canal+ group

In May 2024, France Télévisions signed a new five-year agreement committing the Group to investing at least €80 million per year, including at least €65 million in a minimum of 60 films in prefinancing. In return, France Télévisions will benefit from 30 days of catch-up television on pre-purchased works. TF1 followed in its footsteps in October 2024 by signing a new three-year agreement, which increases the group's investment commitment to 3.65% of its revenue compared to 3.5% previously. The agreement also provides for TF1's pre-financing of at least 19 films per year, compared to 17 previously.

In parallel with these negotiations, the agreement with Canal+ expires at the end of 2024 and was not renewed during the year. Signed in 2021, it provided for an average investment of €220 million in French cinema per year, a commitment well beyond the obligations imposed, making Canal+ the leading funder of French cinema. This is all the more true since the OCS channel and Orange Studio acquisition last year, a sign of the Group's desire to maintain a strong commitment to French film creation. In return, Canal+ benefits from having access to recent available films with a window of six months following release in theaters, the smallest window of all comparable players, which creates a premium for subscriptions to the channel.

Nevertheless, competition between the platforms combined with the withdrawal of the digital frequency from the group's free channel, C8, has created uncertainty in the negotiations of a new agreement with Canal+. Initially in competition with the platforms for the second film release window, the negotiations underway with Disney+ would now bring the platforms closer to Canal+'s first exclusive window. The first outlines of this negotiation also raise fears of a fall in Canal+'s investment in French cinema, since Canal+ is investing €220 million for a release window set six months after the film's release in theaters, and Disney+ could negotiate a window six or nine months after release in theaters against a much lower amount.

A new agreement was finalized on March 3, 2025, backdated to January 1, 2025. It provides for an investment of €150 million in 2025, €160 million in 2026 and €170 million in 2027, an amount slightly lower than the previous agreement. However, Canal+ maintained its role as a privileged partner of French cinema and obtained an increase in the number of linear releases of pre-purchased films, as well as an extension of the non-linear release period.

Sources: Le Film Français no. 4159, December 13, 2024, Le Film Français no. 4167, February 7, 2025, Box Office Pro, "Canal+ a signé un nouvel accord avec le cinéma français" (Canal+ signed a new agreement with French cinema), March 4, 2025, Le Monde, "Maxime Saada, président de Canal+ : « Le modèle du cinéma français menace de s'effondrer sous les coups portés à ses trois piliers" (Maxime Saada, Chairman of Canal +: 'The French cinema model threatens to collapse under the blows inflicted on all three pillars'), February 6, 2025.

Television channel investment in French feature film production

Investment by the Canal+ group's pay channels

In 2024, the Canal+ channel pre-purchased 121 films, compared to 114 in 2023 and 117 in 2022, for a total investment of €140 million. This is the highest number of feature films supported for five years. More than the figures, it is the diversity of the films supported that makes Canal+ a key partner for film production in France. The channel is committed to large-budget films, with 16 feature-length films with a budget of more than €10 million, as well as higher risk films. In 2024, around 40 films, including 16 first films, could not have been produced without the contribution of Canal+, the only broadcaster involved in their financing.

The Group's other pay channel, Ciné+, had to reorganize after the acquisition of OCS in accordance with the commitments made to the Competition Authority. Previously, the Ciné+ channel was mainly involved in second film release windows. Now renamed Ciné+ OCS, in 2024 it invested €30 million in 126 titles, including €14 million in first windows, compared to €17 million in 156 films last year, including €2 million in first windows. This renewed ambition is a direct consequence of the commitment made to the *Autorité de la concurrence* (French Competition Authority) to create a purchasing window for the first window which is separate to the Canal+ committee, to offset the investment made by the OCS channel in this window.

Source: Le Film Français no. 4165, January 24, 2025.

Investment by free-to-air channels

› IN 2024, INVESTMENT IN THE PRODUCTION OF FEATURE FILMS BY FREE CHANNELS WAS SLIGHTLY DOWN

	2024			2023			2022		
CHANNELS	INVESTMENT *(in millions of euros)*	AVERAGE CONTRIBUTION *(in millions of euros)*	AVERAGE FILM COST *(in millions of euros)*	INVESTMENT *(in millions of euros)*	AVERAGE CONTRIBUTION *(in millions of euros)*	AVERAGE FILM COST *(in millions of euros)*	INVESTMENT *(in millions of euros)*	AVERAGE CONTRIBUTION *(in millions of euros)*	AVERAGE FILM COST *(in millions of euros)*
TF1	38.0	2.2	15.1	41.9	2.3	10.4	41.3	2.6	10.4
M6	24.5	2.0	13.0	27.2	2.3	12.6	23.6	2.2	12.8
France 2	38.7	1.2	8.4	37.9	1.3	7.5	37.3	1.2	6.6
France 3	23.9	0.9	6.8	22.5	0.8	5.5	23.0	0.7	6.5
Arte	10.1	0.3	5.0	9.7	0.4	4.3	9.2	0.4	3.0

The total investment of the historical television channels (TF1, M6, France Télévisions and Arte) in cinema reached €135 million compared to €139 million in 2023. Investments in the financing and co-production of feature films covered 116 films compared to 115 in 2023. The average budget for the films supported is up for all channels, while the average investment of channels is down slightly, at €1.17 million compared to €1.21 million last year. This increase in budgets is explained by the presence of several large-scale projects in the channels' commitments, such as *Chien 51*, the next film by Cédric Jiménez, and *Des Rayons et des Ombres*, a new project by Xavier Giannoli for France Télévisions, for which the budgets are estimated at €40 million and €30 million, or *Cliffhanger 2* by Jalm Collet-Serra for TF1, with an estimated €77 million budget.

In 2024, France Télévisions invested €66 million in 67 films and remains the leading investor in free-to-air, in terms of volume and value. These figures are up slightly compared to €60 million and 57 films last year. France 2 Cinéma committed to being a co-producer of 31 films for a total of €39 million, and France 3 Cinéma of 26 films for €24 million, while the group has invested €4 million in 10 simple pre-purchase films. France Télévisions' investment policy is based on four areas. The first two are the pre-purchase of popular blockbusters such as *Chien 51* and independent films such as Arthur Harari's next film, *L'Inconnue*. The third area is societal cinema with, for example, the films *La Maison des Femmes*, the first film by Mélissa Godet and *Dossier 137*, Dominik Moll's new project which deals with police violence, with the aim of offering film screening and discussion evenings. The last area is a focus on young audiences. For example, the group has invested in *Yoroï* by David Tomaszewski, starring Orelsan and *Black to the Future*, the new film by Jean-Pascal Zadi.

Arte France Cinéma invested total of €10.1 million in 30 films in 2024, compared to 27 films and €9.6 million the previous year. This year, the organisation's commitments have focused more on international co-productions, with 63% of investment and films such as *The Entertainment System Is Down* by Ruben Östlund and *Calle Malaga* by Maryam Touzani. As for French productions, Arte France Cinéma has, for example, been involved in Arnaud Desplechin's next film *Une Affaire* and the new project by Vincent Le Port, director of Bruno Reidal.

In 2024, TF1 Films Production invested €38 million in 17 French feature films. TF1's investment strategy revolves around family entertainment films, with, for example, *Les Enfants de la Résistance* by Christophe Barratier and *Cliffhanger 2*, and the comedy genre with investments in *The Marsupilami* by Philippe Lacheau and *L'Âme Idéale* by Alice Vial, starring Jonathan Cohen and Magalie Lépine-Blondeau.

Finally, M6 Films, which follows a similar editorial line, committed in 2024 to 12 films for a total of €24.5 million. The organisation has invested, for example, in Yann Gozlan's next film, *Gourou*, with Pierre Niney in the main role, as well as *Le Jour G* by Claude-Zidi Jr, a comedy that stars Kev Adams, Didier Bourdon, Chantal Ladesou and Jarry.

Source: Le Film Français no. 4165, January 24, 2025.

Investment by video on demand platforms in French feature film production

Last year, the three main video on demand subscription platforms Netflix, Disney+ and Amazon provided transparent and detailed communications on their respective investments in French feature film production. In the context of uncertainty and with the ongoing negotiations described above, information has been communicated more sparingly.

In 2024, Netflix, which is still required to invest 4% of its revenue in French feature film and audiovisual production on a total basis of 20% of total investments, reports that it has invested €50 million in feature films this year. This amount is similar to that of last year, which covers 18 films, including 10 in the first window.

Disney+'s investment over the year, prior to the new agreement under negotiation, is in the region of €13 million. Last year, Disney+ supported 14 films, all in the second release window.

Lastly, Amazon Prime Video indicated that it had invested in 5 films this year, compared to 13 films last year for a "similar" total amount. Last year, the amount invested was €8 million. Amazon Prime Video has contributed to the financing of works that are relatively diverse but rather aimed at young audiences, including *Yoroï*, a first film by David Tomszewski starring Orelsan, *L'Or* de Gadhafi, the first film by Jérémy Ferrary, *Le Rais de Palermo* by Julien Paolini, *Mi Amor* by Guillaume Nicloux and finally *Gille United*, the first film by Grégoire Ludig with the Le Palmashow duo.

Sources: Rédaction du Film Français, Le Point, Canal+, France Télévisions, Netflix, Disney, etc.: qui finance le plus le cinéma français ? (who provides the most financing for French cinema?) ", March 5, 2025.

Audiovisual production and distribution

An audiovisual work is a work that has not been released in theaters, whether in a one-off, series or mini-series format. It is broadcast directly on television channels or online video platforms, whether linear or on-demand.

Linear broadcast refers to the live broadcast of content. It has historically been linked to television channels, although these have been developing their digital presence in recent years with on-demand platforms.

On-demand delivery means the delivery of content at the consumer's request, when the consumer wants it. It is mainly linked to online video platforms, although the main platforms, such as Netflix and Amazon, are increasingly interested in linear events.

Linear distribution of content

Audiences in the United States declines again

MAIN NATIONAL CHANNELS CONTINUE TO LOSE AUDIENCE RATINGS

The total audience in the United States fell by 5% after a drop of 10% last year, to an overall average of 49.8 million viewers per evening in 2024. As in 2023, five historic channels dominate the North American audiovisual landscape: CBS, NBC, ABC, Fox and Fox News Channel. CBS narrowly took the first place on NBC thanks, in large part, to the broadcast of the 2024 Super Bowl. Although NBC lost its first place, the channel is still up by 10% thanks to the success of the Paris 2024 Olympic Games. The Fox channel fell by 15% compared to last year, a direct effect of the broadcast of the 2023 Super Bowl. Finally, the presidential elections in 2024 fully benefited Fox News Channel, which jumped by 30% compared to its audiences last year. The rest of the market is shared between several dozen local or regional cable channels with a national audience of less than 3%, with the exception of ESPN, which has a market share of 3.3%.

RANK	TV CHANNEL	VIEWERS *(in millions)*	GROWTH SINCE 2023	MARKET SHARE
1	CBS	5.06	+12%	10.2%
2	NBC	4.99	+10%	10.0%
3	ABC	3.86	-1%	7.8%
4	Fox	2.84	-15%	5.7%
5	Fox News Channel	2.47	+30%	5.0%

Sources: Variety, Most-Watched Television Networks: Ranking 2024's Winners and Losers, 12/26/2024.

SPORT AND DRAMA DOMINATE THE MOST-WATCHED PROGRAMS IN THE UNITED STATES

From September 2023 to May 2024, the most watched recurring programs in the United States remained sports and drama, with NFL game evenings far ahead of the top television series.

The absence of the drama "*Yellowstone*", due to the screenwriter's strike, was felt as it peaked last year in second place in the ranking with 11.6 million viewers. Audiences of series from the ten most popular programs this year totaled 55.8 million viewers compared to 67.7 million last year, a fall of nearly 18%. The most watched drama this year is the new *Tracker* series. With audiences of up to 19 million viewers for some episodes, the drama has become the most-watched new series since *Desperate Housewives* in the 2004-2005 season.

The sports programs included in the ranking represent a total audience of 43.8 million viewers, an increase of 16% compared to 2023. Thanks to the linear broadcast of the Thursday night NFL game, Amazon Prime gained nearly 3 million viewers and three places in the ranking compared to last year.

In terms of ad-hoc audiences, on the other hand, drama only appeared in 69th place among the hundred best audiences of the year. The best audiences of the year are indeed occupied by NFL matches, the Super Bowl, the presidential debates, the Academy Awards and the Paris 2024 Olympic Games. The Super Bowl achieved the best audience of the year with 121 million viewers, the presidential debate was in 12th place with 20.2 million viewers and the Academy Awards in 13th place with 20.2 million viewers.

RANK	PROGRAM	AUDIENCE *(in millions)*	GENRE	NETWORK
1	NFL Sunday Night Football	19.8	Sport	NBC
2	NFL Monday Night Football	12.0	Sport	ABC
3	NFL Thursday Night Football	12.0	Sport	Amazon prime
4	Tracker	10.8	Drama	CBS
5	NCIS	9.7	Drama	CBS
6	Young Sheldon	9.1	Drama	CBS
7	FBI	9.0	Drama	CBS
8	Chicago Fire	8.8	Drama	NBC
9	Blue Bloods	8.4	Drama	CBS
10	60 Minutes	8.3	News	CBS

Sources: Variety, 100 Most-Watched TV Shows of 2023-24: Winners and Losers, 05/28/2024.

Linear consumption on television channels down in France

In 2024, the average time spent on television continued to decrease to 2 hours and 48 minutes, *i.e.* 18 minutes less than in 2023 and 38 minutes less than in 2022. However, television continues to be the most prominent format in the daily video consumption of French people with a share of 64%, compared to 67% last year.

Source: Médiamétrie, January 2025.

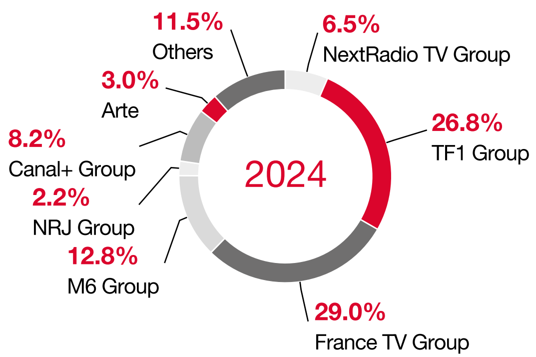
THE BEST TV AUDIENCES OF 2024 DOMINATED BY SPORTS EVENTS THEN BY DRAMA

2024 audiences in France were marked by the Paris 2024 Olympic Games. The opening ceremony attracted 24.4 million viewers and became the most viewed program in the history of French television. The second biggest audience of the year was the closing ceremony, with 17.9 million viewers. The incredible audiences for the Paris Olympic Games were combined with strong audiences for Euro 2024. The France-Spain semi-final attracted 16.1 million viewers. Despite the tidal wave of these two sporting events, drama has retained a significant place in the French television landscape, with 33 appearances among the hundred best audiences of the year, compared to 44 last year. The best audience for a drama was achieved by the series *HPI*, and an unprecedented season 4 episode which peaked at 9.7 million viewers. The eight new season 4 episodes even represent the eight best audiences of the year for a drama, each attracting more than 7.7 million viewers. The pilot episode of the new TF1 series, *Cat's Eyes*, is also present in this ranking with 6.7 million viewers, while the eight episodes of the *Astrid and Raphaëlle* series on France 2 also appear, with at least nearly 6 million viewers for each of them.

Source: Ecran Total - Médiamétrie, January 2025, "Le top 100 des audiences TV en 2024" (Top 100 TV audiences in 2024).

2024 AUDIENCES BY GROUP: FRANCE TELEVISIONS DRIVEN BY THE OLYMPIC GAMES, CANAL+ GROUP IMPACTED BY ARCOM'S DECISIONS

❯ AUDIENCE SHARE IN 2024



Source: Médiamétrie, 12/30/2024.

In 2024, the France Télévisions group remained the French audience leader, and even consolidated its lead with an increase of 0.4 percentage points to reach a 29% audience share. Driven by the exceptional audiences of the Paris 2024 Olympic Games, the group even managed to place 58 programs in the top 100 audiences of the year for the first time in its history. With an audience share of 83.1% and 24.4 million viewers for the opening ceremony of the Olympic Games, the group achieved the best audience in the history of French television. The dramas *Astrid and Raphaëlle* on France 2 and *Alex Hugo* on France 3 also recorded solid performances.

The TF1 group maintained its second position with a 26.8% audience share. Thanks to the performance of Euro 2024, the *HPI* phenomenon and the launch of the new daily series *Plus Belle la Vie, Encore Plus Belle*, TF1 remains the leading channel in France with an audience share of 18.7%.

The M6 group is losing ground with an audience share that fell by 0.2 percentage points to 12.8%. However, the channel can always count on its streaming programs that are well known by viewers. For example, season 19 of *L'Amour est dans le Pré* recorded the program's best audience for seven years.

The Canal+ group achieved an audience share of 8.2%, an increase of 0.5 percentage points compared to last year, thanks to its pay channel and its free channels C8, Cstar and Cnews. This increase is enabled by the Cnews channel alone, which increased from an audience share of 2.3% last year to 2.9% this year.

Finally, Arte's audience share was 3% over the year, an increase of 0.1 percentage points compared to last year and a record level for the channel.

However, the year was marked by ARCOM's (French audiovisual communications regulator) decision in July not to renew the leading digital channel C8, as well as NRJ 12. The decision will take effect at the end of February 2025. The two digital frequencies will now be occupied by channels T18, CMI France group, and OFT, Ouest France group. In response to this decision, the Canal+ group announced in early December that it would withdraw its pay channels Canal+, Canal+ Cinéma, Canal+ Sport and Planète from DTT, but that it would retain its free channels Cstar and Cnews.

Platforms taking on linear content

In view of audiences for the sporting events of the year, and in the tradition of Amazon Prime, which successfully broadcasts the NFL Thursday night game in the United States, the platforms are increasingly interested in linear programming formerly reserved for television channels.

In May 2024, Netflix purchased the Christmas broadcast of two professional NFL football league games, the NFL Christmas Gameday, for 2024, 2025 and 2026. For the first edition in 2024, Netflix also took the opportunity to schedule and broadcast a Beyonce concert at half-time, following in the footsteps of the Super Bowl. At the end of December 2024, Netflix announced the signing of another historic agreement with FIFA for the United States broadcast of the Women's World Cup in 2027 and 2031, an event previously broadcast by the Fox channel. However, Netflix has long refused to invest in live events and saw no way to make the purchase of sports rights profitable. The explosion of the digital advertising market has been a game-changer, especially since this type of event has enabled the platform to capture part of the linear advertising market previously reserved for television channels. The broadcasting of such events makes it possible to broadcast advertising slots, including for subscribers to the platform's advertising-free offers, as a TV channel commercial break. In November, Netflix organised a boxing match between former world champion Mike Tyson and influencer Jake Paul, broadcast live and in five languages, which recorded a peak audience of 65 million viewers.

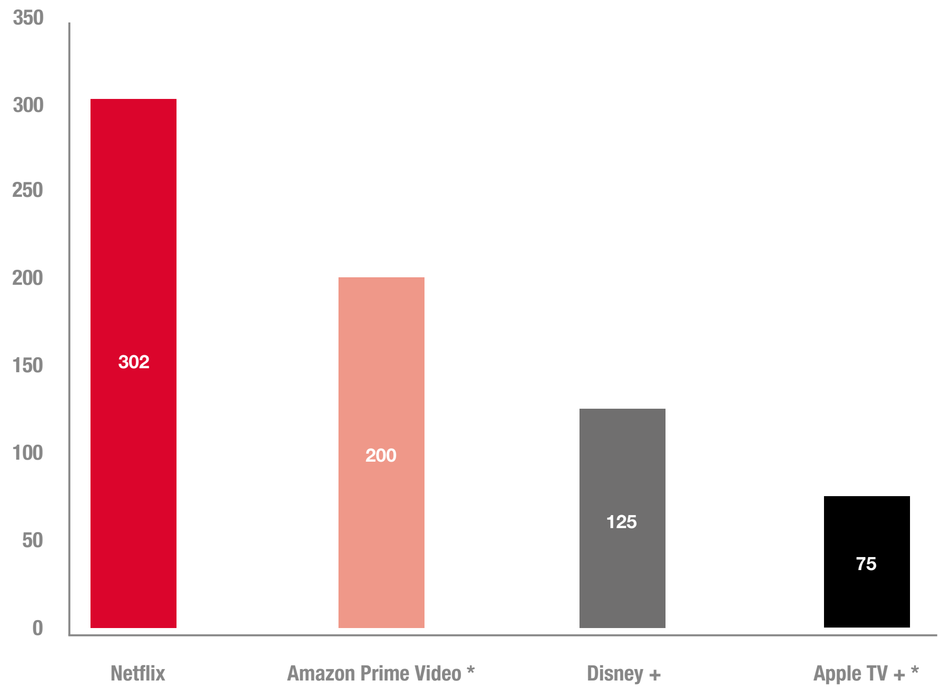
In the same vein, but in the cultural sector, Disney+ purchased the broadcasting rights for the Academy Awards in France, previously broadcast by Canal+.

Source: L'Agefi Quotidien, December 24, 2024, "L'année du live pour Netflix" (A live year for Netflix), La Croix, December 12, 2024, "Disney+ va diffuser les Oscars et se développe" (Disney+ will broadcast the Academy Awards and is developing).

On-demand content distribution market

Driven by new pricing and advertising revenues, video on demand subscription platforms are on the path to profitability

❯ ESTIMATED NUMBER OF SUBSCRIBERS TO THE MAIN PLATFORMS IN 2024



Source: NETFLIX investors, January 2025; Disney's Q1 FY24 Earnings Results, February 2025.

**Estimated data.*

Netflix remains the leading video on demand platform with 302 million subscribers worldwide, an increase of more than 40 million subscribers in one year even though the forecasts of market observers were down. This increase is explained by the tightening up of the platform's policy on account sharing implemented in 2023, but above all by the success of its new package with reduced advertising. In May 2024, Netflix announced that its package with advertising had attracted 40 million people, compared to only 5 million a year earlier. In the fourth quarter of 2024, 55% of new subscriptions were subscriptions to the package with advertising. This package also allows Netflix to no longer focus solely on its number of subscribers, since it allows it to generate advertising revenues, which have doubled between 2023 and 2024, and it plans to double them again in the coming year. As a result, the platform announced that it will no longer report its number of subscribers on a quarterly basis. It will focus more on engaging rather than growing its subscribers, and in this sense benefits from the strong popularity created around its content. For example, it will put the last two seasons of *Squid Game* and the last season of *Stranger Things* online by the end of 2025. By increasing the price of its subscriptions at the same time, as was already announced in the United States at the beginning of 2025, Netflix hopes to start generating significant revenue from its subscriptions by the end of the year.

The number of Amazon Prime Video subscribers is estimated at over 200 million. However, there is no official communication from the group on this number, especially since the Prime Video platform is included in an Amazon Prime subscription that includes various services. Prime Video was the last platform to launch a package with advertising, in early 2024. However, this package differs from that of competing platforms. The platform has in effect decided to roll out advertising on all its existing subscriptions, while offering a new, more expensive advertising-free subscription. Combined with Amazon's e-commerce business, this allows the platform to benefit from a massive audience to market to advertisers with an adapted targeting of the proposed advertising. In terms of content, Amazon launched the *Fallout* series, which was the most viewed new online series in the United States in 2024.

Disney+ ended the year with 125 million subscribers compared to 150 million last year. This decrease is mainly due to the exit of the Indian Disney+ Holstar platform from the Group's scope, following the merger of this platform's entity with the JioCinema platform (Reliance group). On a like-for-like basis, Disney+ had 125 million subscribers compared to 111 million last year. The group's streaming business, which includes the Hulu and ESPN platforms, was profitable for the first time in 2024. For example, the average monthly revenue per paid Disney+ subscriber increased from $6.84 at the end of December 2023 to $7.55 at the end of December 2024. This increase was facilitated by an increase in subscription prices and advertising revenues. Disney expects its profitability to increase in 2025 to reach an operating margin of 10%. In France, Disney made a significant strategic shift by ending its distribution agreement with Canal+. The platform will now be the only broadcaster of the studio's films released in France, and to build its visibility, it signed a new agreement with the supplier Orange and launched a promotional subscription campaign in early 2025.

Apple TV+ could effectively have 75 million subscribers for only 25 million paid subscriptions, since 50 million subscribers are eligible for a one-year subscription free with the purchase of one of the brand's products.

Sources: AFP, January 22, 2025, "Netflix dépasse les 300 millions d'abonnés et augmente ses prix" (Netflix exceeds 300 million subscribers and increases its prices), Le Figaro, April 9, 2024, "L'arrivée de la pub sur Amazon Prime Video fait saliver les annonceurs" (The arrival of advertising on Amazon Prime Video makes advertisers salivate), Radio France, March 1, 2023, "Apple TV+, une plateforme qui peine à se faire une place" (Apple TV+, a platform struggling to find its place).

The rise of free online television channels

Attracted by the windfall of digital advertising and by the desire to group together all their content around a brand, French television channels are developing their online presence one-by-one by launching their own digital platforms.

This strategy is also supported by observed changes in consumption habits. In France, in 2024, video on demand consumption accounted for 36% of the total daily video consumption of French people compared to 33% last year and 26% in 2019. This is equivalent to 1 hour and 25 minutes of videos viewed per day on a video-on-demand platform. The number of content that can be replayed, *i.e.* catch-up on an on-demand platform after linear broadcasting, has increased by 80% in five years, with more than 500,000 viewers. The other appeal of the platforms offered by television channels is the preview content on offer. Unlike catch-up, this is content offered online on the television channel's on-demand platform before its linear broadcast. Currently, 72% of previewed programs are dramas.

On January 8, 2024, the TF1 group launched its new TF1+ platform, which succeeds MyTF1. The platform is the leading free streaming platform in France, with nearly 4 million daily users and 3.5 billion videos viewed. In the first half of the year, it posted a monthly coverage increase of 19% compared to MyTF1.

For its part, the France Télévisions group continues to develop its France.tv platform, which has existed in this form since May 2017 and which includes all the group's content. The platform was able to meet the challenge of the Paris 2024 Olympic Games, and is preparing to be revamped in early 2025 since it will now host content from Arte, Public Sénat, LCP, TV5 Monde and INA. The platform welcomes nearly 35 million unique visitors each month.

The M6 group launched its free M6+ platform on May 14. The platform succeeds the former 6play platform. It claims that it has 47 million unique users, a 28% increase compared to the previous platform and a 30% increase in the number of hours of video consumed. To generate excitement around the launch of its new platform, the M6 group decided to put its new mini-thriller *Les Espions de la Terreur* online in June 2024, with the linear broadcast not scheduled until November 2024. However, this strategy is not set to be repeated.

Finally, the arte.tv platform recorded 2.7 billion videos viewed over the year, an increase of 20% compared to 2023. The channel also offers its content on YouTube and TikTok, two viewing channels that have increased by 84% and 85% respectively in one year. As mentioned previously, Arte has also signed distribution agreements with France.tv and TF1+ so that the channel's content can be distributed on these platforms.

Free television channel platforms are an essential tool for channels to capture a share of the digital advertising market and unite users around clearly identifiable content associated with the channel's brand. However, like Arte, offering content on a competing platform can be a gateway to this while allowing the competing platform to attract more users. The race to move onto platforms is inseparable from the race for content: the two go hand-in-hand.

Source: Médiamétrie, 12/30/2024, Lefilmfrançais.com, "Bilan des audiences 2024" (2024 audience review), 12/31/2024.

Investment strategies of channels and platforms in French audiovisual production

The editorial strategy of subscription platforms in France

The investment of French video on demand subscription platforms in audiovisual work is now based on known talent and clear offerings.

In September 2024, Amazon Prime Video unveiled the arrival of six new French Original productions, three of which are one-offs and three of which are series. In line with the series *Culte* launched online at the end of September 2024, which took a behind-the-scenes look at reality TV, the platform is currently producing a series called *Culte – 2be3* which will focus on the history of the French boy band. The platform is also developing the *Glamsquad* series, created by Rebekah Zlotowski. It will also show *CarJackers* by Kamel Guemra and *McWalter* by Simon Astier. In addition to Club, 2024 was marked by the launch of the one-off *Sentinel* with Jonathan Cohen, season 2 of *Miskina*, *Poor Thing* and the one-off *Libre* by Melanie Laurent, who had already produced the first Amazon one-off, *The Mad Women's Ball*. Amazon Prime Video has announced that it wants to continue to build on its successes while also exploring new offers.

For the coming year, Netflix will continue to diversify its genres in order to capture an ever wider audience. The platform will make available the animated series *Astérix et Obélix: The Big Fight*, directed by Alain Chabat and Fabrice Joubert. It will also launch a new historic adventure series with Pio Marmaï, *Nero* and season 2 of *Pax Massilia*, a series created and directed by Olivier Marchal. Finally, it will offer the one-off Lost *Bullet 3* with Alban Lenoir.

After a year marked by the success of the series *Becoming Karl Lagerfeld* and the comedy *Irresistible*, Disney+ wants to continue to expand its series catalog by exploring different genres. The platform will feature the thriller *The Lost Station Girls*, the second collaboration with Itinéraire Productions following *Oussekine*, and the thriller *The Disappearance* of Kimmy Diore. The platform, which has now listed 14 original French productions in two years, tends to target an adult audience. Disney+ has also partnered with TF1 on the series *Ghosts*, which will be broadcast on the platform before going to the TF1 channel, and then on the TF1+ platform.

In early January 2024, the Apple TV+ platform signed an agreement with the French audiovisual industry for the first time. The agreement will run until the end of December 2027, and sets out investment commitments for the platform. In particular, the platform has already announced that it will publish Martin Bourboulon's *Carême* series with Benjamin Voisin and Lyna Khoudri in April 2025. It will also upload the thriller *A l'Ombre des Forêts*, starring Benoît Magimel and Melanie Laurent. The platform is moving more towards ambitious proposals with strong castings.

Finally, HBO Max, which recently arrived in France in June 2024, has already uploaded its first French creation *The Confidante*, with Laure Calamy. Like Apple TV+, it aims to offer bold creations and will, for example, publish the series *Malditos*, inspired by the western genre and starring Céline Sallette, as well as *Vivre avec Nos Morts*, a contemporary "dramedy" starring Elsa Guedj, Noémie Lvovsky and Anouk Grinberg.

Source: Le Film Français, no. 4167, February 7, 2025 and no. 4145, September 6, 2024.

In France, channels are building their strategy around the production of dramas

Faced with a huge influx of television drama productions in recent years, a genre favored by video on demand consumers, the channels are optimizing their investment in the production of audiovisual work to boost their strategy and create a recognizable brand.

France Télévisions continues to capitalize on its successful franchises *Astrid, Deadly Tropics*, *Cassandre* and its collection of *Murders in*... one-offs to simultaneously explore new subjects and new genres. The group has already announced the arrival of seven new one-offs, a preferred format for dealing with societal issues, as well as five new series. The group's strategy is to develop as many pilots as possible in order to have depth in its new proposals if an already established series is axed. Finally, via its France.tv Slash brand, the group continues to develop digital drama to attract a "young adult" audience, but in a more ambitious way by reducing the number of new mini-series per year to four without reducing the total allocated budget.

Arte remains faithful to its uniqueness and, while remaining reasonable in the volume of new releases offered, endeavors to offer its viewers originality and a breath of fresh air. Despite the success of the series *Haven of Grace*, *Polar Park* and *Under Control*, the channel will not offer a second season. With its drama budget increased by 4% to €35 million, it has also announced five new series and a new one-off program.

The TF1 group, driven by the *HPI* phenomenon, continues to promote other flagship franchises such as *Camping Paradis* and *Léo Mattei*, while offering new dramas around three main areas: high-budget trending mini-series such as *Eté 36*, the third part of *Le Bazar de la Charité* collection, the return of old franchises in new formats such as the one-off *Clem: la Rando* and the daily soap opera. After the successful launch of *Plus Belle la Vie, Encore Plus Belle* which joined the daily soap operas *Ici Tout Commence* and *Demain Nous Appartient*, TF1 is considering the launch of a fourth soap.

In the meantime, M6 will focus on its trending mini-series and its one-off offering. It has announced the arrival of five new mini-series and nine one-offs. It also continued to benefit from the strong appeal of its early-evening comedies *Scènes de Ménage* and *En Famille*, and will launch *Nos Meilleures Années* in the same format, which follows the same family in three different eras. The main challenge for the coming year for M6 is the launch of its first daily soap opera to compete with those of TF1 and France Télévisions.

Finally, Canal+ continues to capitalize on the quality of its Creation Original brand, which focuses on two main areas: realistic series such as season 3 of *Hippocrate* and the new detective series *Cimetière Indien*, and genre series such as *UFO(s)*. In addition, this year the channel will launch its first series fully initiated, produced and financed by the Canal+ group. This action series, *Paris Has Fallen*, also demonstrates the channel's desire to ensure that its productions appeal to an international audience. In the same vein, it will launch the European series *Families Like Ours* by Thomas Vinterberg. Lastly, Canal+'s offering will now include former OCS dramas, such as season 2 of *Sentinelles-Ukraine*.

Source: Le Film Français no. 4145, September 6, 2024.

Fee-for-service and VOD distribution

The fee-for-service sale or rental of videos includes offers to buy and rent videos on video on demand platforms. The rental and physical sales of videos in DVD and Blu-ray format supplement fee-for-service distribution.

In the United States and Europe, the fee-for-service video market continues to decline

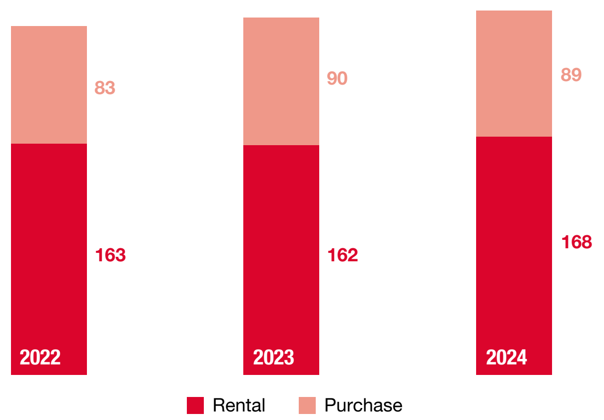
In the United States, the fee-for-service video sales and rental market represented $5 billion in 2024 compared to $5.6 billion in 2023 and $6.3 billion in 2022. For the second consecutive year, the sale and rental of physical media fell sharply, by 23%, compared to a drop of 25% in 2023 and 10% in 2022. Despite growth last year, the sale and rental of digital media followed the trend of the physical market and decreased by 11% and 3% respectively. This performance must, however, be compared with a mixed picture in terms of movie theater attendance in the first half of the year, due to a limited supply following the aforementioned strike. Indeed, the digital video fee-for-service market is essentially driven by novelty, and the best performing titles of the year are *Beetlejuice Beetlejuice*, *Civil War, Deadpool & Wolverine*, *Despicable Me 4* and *Dune Part 2*.

Source: Digital Entertainment Group, 2024 report, February 2025.

In France, the fee-for-service video market is down

The fee-for-service video market, including physical and digital, was down by 2.5% compared to 2023. The decline in the physical market was not offset by the digital market, despite healthy digital rental sales. As a result, the fee-for-service video market has halved in ten years.

❯ DEVELOPMENT OF THE ONLINE VIDEO ON DEMAND MARKET IN FRANCE *(in millions of euros)*

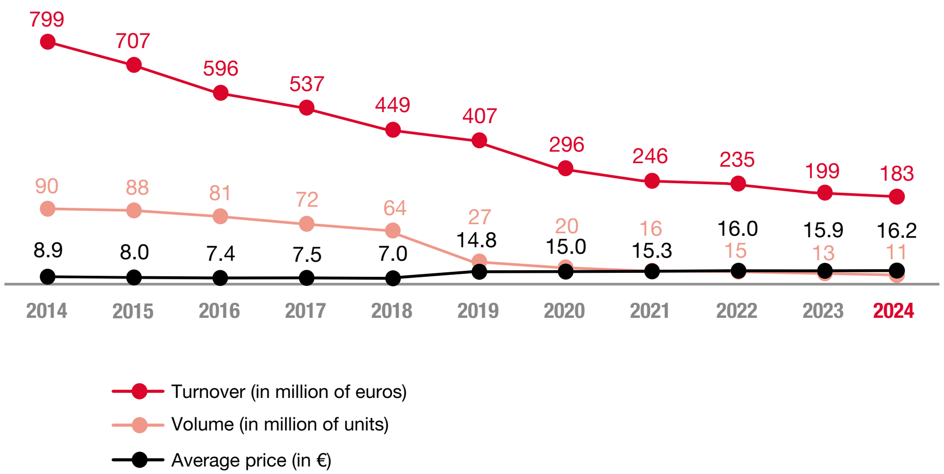


While the fee-for-service video rental market was up slightly by 2.5% compared to last year, at €168 million, the purchase of online videos was down by 1.7% after two consecutive years with a 10% increase, at €89 million. American cinema largely dominates the market with a 57% market share, as evidenced by the performance of the first installment of *Dune*, the most frequently ordered digital film to rent or to buy. *Dune: Part Two* reached the fourth position. In line with their performance in theaters in 2024, French films saw their share of the digital fee-for-service market increase from 31% in 2023 to 37% this year. *Un P'tit Truc en Plus*, is the second most-ordered film of the year. The French films *Anatomy of a Fall*, *Open Season*, *Cocorico* and *The Three Musketeers: Milady* were also among the ten most ordered works of the year.

Source: CNC-AQOA, Observatoire de la video à la demande 2024 (VàD_VàDA_Video physique), January 2025.

The physical video market in France continues to decline

❯ CHANGES IN THE PHYSICAL VIDEO MARKET



The physical video market has seen a steady decline in sales since 2004. In 2024, the French spent €183 million on DVD and Blu-ray purchases. This represents a decrease of 8.1% compared to 2023.

Source: CNC-AQOA-Gfk, Observatoire de la video à la demande 2024 (VàD_VàDA_Video physique), January 2025.

OUTLOOK AND STRATEGIC DIRECTION

Digital acceleration: towards a new mode of delivery

After abolishing the distinction between linear and non-linear, with the exception of live events such as sporting events, the global audiovisual landscape has inexorably entered a phase in which it needs to redefine the way in which it does things. This advanced hybridization is symbolized by the gradual breaking down of the traditional boundaries between paid access and free access. All the leading English-language subscription video on demand service providers are in the process of switching their full premium model to hybrid access incorporating sales of advertising spots. The redefined system is based on the need to adapt economic models to the general economic situation, the multitude of packages on offer, and new consumer expectations with consumers increasingly juggling usage, quality of service and whether or not to accept advertising.

Premium television services and SVOD platforms (Subscription Video On Demand), historically based on a 100% subscription-based payment model, now include lower-cost offers which include advertising. This change enables them to broaden their subscriber base, particularly in mature markets where growth is slowing down, and to offer a more flexible price range, based on the sharing of financing between the user and the advertisers.

In parallel, the so-called free platforms – whether AVOD services (Advertising Video on Demand) or BVOD platforms (Broadcast Video on Demand) run by historical broadcasters – are taking a different approach. They are experimenting with “freemium” models where the user can, in exchange for a monthly payment, remove all or part of the advertising.

These paid offers also provide additional benefits. In the case of BVOD platforms, they make certain content available as a preview before its linear distribution, provide extended access to catch-up services and offer the option to use several devices. As a result, some historically free services are moving upmarket, which in turn are becoming sought-after platforms with an enhanced and personalized experience.

In this system, linear becomes an entry point to a larger, hybridized, and permanently accessible ecosystem that enriches the viewer experience while extending the life of the creative works. Enhancing the development of linear services promotes increased integration between editorialized content, catch-up services, interaction modules, and additional catalogs, all accessible from a single point of access.

At the same time, the opposite phenomenon is happening. The historical subscription video on demand platforms are beginning their foray into live broadcasting, particularly in the fields of sports, entertainment and major cultural events. By moving into live events, they are competing with linear channels in one of their last strongholds: events that bring people together.

This cross-hybridization phenomenon reflects a strategic reality: the segmentation between free and paid is no longer a divide, but an economic continuum in which the user modulates their experience according to their willingness to pay and their threshold of advertising tolerance. Audiovisual consumption is becoming modular, adaptive, and driven by pricing flexibility.

The sector is therefore pivoting between linear and non-linear, free and paid services, where each player explores the territory of the others. The line between the two is increasingly blurred, favoring ubiquitous, contextual use-based access. In a geopolitical and economic context marked by uncertainty, this redefining of distribution methods, which is accelerating, is a major strategic challenge for content producers and distributors, who must think of the work as a multi-format, multi-time, and multi-access narrative.

In 2024, movie theaters suffered the effects of the Hollywood strike of 2023. Nevertheless, with the decision of the major American studios to put theatrical release back into the feature film value creation cycle, the 2025 revenue forecasts made by the British firm Gower Street Analytics were revised upwards at the beginning of the year, rising to $34.1 billion compared to $33 billion at the end of 2024. The global box office should therefore be expected to increase year-on-year. However, revenue is likely to remain 13% lower than the average for the three years prior to the pandemic (2017-2019).

130 years dedicated to production and nurturing talent

Gaumont's teams, based in Paris, Los Angeles, London, Berlin and Rome, are keen to listen and discuss the creative expectations of their customers and are committed to providing daily, local and dedicated support for talent, deploying cross-functional expertise in the production and distribution of works.

With a catalog of nearly 2,600 hours of programs, including more than 1,300 feature films, local creative teams can draw on 130 years of film history to enable them to transpose great stories to the present day, and to serve its local and international customers through these works.

Gaumont is now positioned as an agile and innovative player, able to offer cross-functional know-how to creators and presenters.

The objective is to encourage strong creative synergies between the film and drama teams to enable talented individuals and partners alike to access the best stories, without borders or divides.

In an constantly changing landscape, both economically and creatively, Gaumont, the global cinema veteran, is facing up to a major challenge: to make local stories accessible to others to create links, convey emotions, and create a connection between different cultures and groups.

MAIN RISKS AND UNCERTAINTIES AND INTERNAL CONTROL SYSTEM

RISK FACTORS

The internal control mechanism that has been set up is part of a global approach of management of existing risks and identification, measurement, and mitigation of new risks likely to affect all or part of the Group's business, and their potential impact on the financial statements.

Gaumont reviews these risks and uncertainties when making any organizational changes, during the general revision cycles of its key operating procedures, and whenever particular internal or external events occur or an indicator of the appearance of a new risk is brought to the teams' attention.

The risks described below may affect Gaumont's business and financial position to greater or lesser degrees. Investors are requested to be aware of these prior to making investment decisions.

The major risks to which Gaumont is exposed in its current business are broken down into three categories and ranked according to the table below.

RISK CATEGORY	RISK	POTENTIAL EFFECT	PROBABILITY/CHANGE
Operating risk	Business development outside of France	Very high	Stable
Industry risk	Market saturation	Very high	Stable
Industry risk	Continual change of the business model of online streaming platforms	High	Stable
Industry risk	Transformation of the audiovisual landscape and consumer habits	High	Increase
Operating risk	Financing of investments	High	Stable
Operating risk	Lack of availability of authors and artists	High	Stable
Operating risk	Issues related to global warming and ecological transition	High	Stable
Operating risk	Production hiatus or delays and associated cost overruns	High	Stable
Risk of disputes	Complexity of the regulations associated with intellectual property rights	High	Low
Industry risk	Change in regulations regarding public grants for the industry	High	Increase
Industry risk	Release of films in movie theaters	Medium	Stable

Industry risks

Market saturation

Description of the risk and its effects

The feature film and audiovisual industry are very competitive, and the content offer, of all types and all supports, are continually expanding. For example, in France, more than 700 films are usually released in movie theaters each year.

Confronted with this surge of offerings, broadcasters, themselves changing their business model, have the upper hand to select which projects they will be funding and are becoming increasingly demanding in their choice and in the control over their production.

To set themselves apart and secure orders, producers are obliged to expand not only their production volume but also financial investments. Development, production, and distribution of projects can represent significant costs.

Actions implemented to control and mitigate the effects

Gaumont develops the broadest editorial line possible in such a way as to create a diversified offering that can appeal to a broad audience.

Drawing on its experience in production, Gaumont enacts an ambitious project development policy in each of its business segments, in France, Europe and the United States, and devotes important resources to this policy.

Release of films in movie theaters

Description of the risk and its effects

For feature film producers, the release in theaters is a prerequisite for qualification as a “feature film”, which is a necessary precondition to obtain grants from the support fund and to trigger the payment of the main financing. A failure to release the film generates significant financial costs for producers, and for the distributors who incur the publishing costs without generating any revenues.

In 2024, 33 films made more than one million tickets sales and 14 made more than two million tickets sales.

Actions implemented to control and mitigate the effects

Gaumont adapts its film release policy to take the changing market situation into account.

Continual change of the business model of online streaming platforms

Description of the risk and its effects

With continued growth in the number of subscription video on demand platforms, both generalist and specialist, international and local, there are increasing numbers of usage models, combining paid services, advertising-supported and hybrid services.

These players have developed models based on an offer of original content, completed by content available under license, in order to provide subscribers with the most attractive and vast choice possible.

Faced with an unstable international economic environment, coupled in some parts of the world with an inflationary surge that is reducing the purchasing power of households, the platforms are under pressure from their shareholders and financial markets to make adjustments to their investment volumes. These successive changes in the model constitute an economic and legal risk for producers, who are forced to constantly adapt to new operating conditions.

Actions implemented to control and mitigate the effects

In this constantly changing environment, Gaumont is committed to adapting its production teams, increasing selectivity in the number of its projects for film and television, and diversifying its commercial partners, both among incumbent operators and new players.

Change in regulations regarding public grants for the industry

Description of the risk and its effects

In most countries, the film and audiovisual industries benefit from favorable tax systems and incentivizing public grants. These grants may take the form of tax credits, reimbursement of certain production or distribution expenses, subsidies, or assistance that can be repaid with the works’ proceeds.

These tax incentives contribute to the financing capacity of producers and distributors and help maintain diversified production activity.

Actions implemented to control and mitigate the effects

Gaumont benefits from various financial support for its feature films and audiovisual projects, both inside and outside of France, thereby facilitating the financing of works. Gaumont is careful to give priority to projects that have cost-effective budgets and for which the bulk of financing is provided by business and financial partners involved in production from the moment the investment decision is made.

The accounting methods for those grants and the amounts recognized in income for the period are presented, respectively, in note 3.4 to the consolidated financial statements.

Gaumont also participates in all discussions that may take place regarding regulatory changes, particularly through actions carried out with the professional unions.

Transformation of the audiovisual landscape and consumer habits

Description of the risk and its effects

The global audiovisual landscape has undergone and is still undergoing major transformation. The proliferation of video on demand platforms, and in particular the emergence in certain countries of hybrid models where access to the service is financed by both a subscription and the presence of advertising screens, is hitting head-on the distinction between paid and free models.

The emergence of themed straight-line services financed by advertising, directly accessible on connected TVs through application libraries, provides consumers with access to works outside existing offers of operators' packages and traditional free television service networks.

The demand for content mirrors the divide between high-profile works and lesser-known works. Subscription services make full use of the usage data of their consumer customers to increase the selectivity of their orders, while focusing on catalog works, which continue to be the success of free benchmark television services.

The mushrooming of offerings causes audience dispersion and weakens the impact of advertising campaigns, the main sources of revenue for linear channels. Connected devices and transnational platforms make it possible to consume content from around the world, and force local regulations to fall into line with these players.

These changes simultaneously represent an opportunity and a risk for producers like Gaumont. On the one hand, the market is widening, and new purchasers are cropping up, but on the other, competition is intensifying. In addition, broadcasters are becoming more demanding, and production costs are rising even as the investment capacity of traditional broadcasters reduces, and platforms are being both more selective in their orders and related budgets.

In a context of contraction in the investment capacity of several players but where differentiation in the eyes of the consumer continues to be achieved through novelty, and in the face of a dispersion of audiences accentuated by the emergence of hybrid models, the market for long-term sales of works is reduced, prices are down, and negotiation conditions are significantly tighter.

Lastly, the economic consequences of the inflationary context continue to weigh in particular on the purchasing power of Western households, and market conditions for works both upstream and downstream may well become even tougher.

Actions implemented to control and mitigate the effects

As a producer, Gaumont pays particular attention to the quality of the stories it develops by drawing where necessary on the diversity of the works in its catalog.

When it comes to television series, Gaumont takes care to adapt the location of projects for its linear customers, while offering its producing skills to platforms.

As a distributor, Gaumont holds an extensive catalog of feature films in which it invests regularly so as to adapt it to technical standards, and which enables it to supply all of its customers with a broad, differentiated product offering.

This catalog has helped to partially mitigate the effects of the conflict in Ukraine on its financial statements. Gaumont closely follows the development of usage models driven by technological innovations and which reflect the difficult economic context, but also the structural context of the greater freedom of choice offered to consumers in the ways in which they access works.

Issues related to global warming and ecological transition

Description of the risk and its effects

Although its direct emissions of greenhouse gases are relatively low compared to the total emissions generated by all sectors, the production and distribution of feature films and audiovisual content contributes to global warming and the depletion of natural resources. The production of feature films and audiovisual content requires significant energy resources, whether for shooting, postproduction, or the creation of animations.

Furthermore, due to the regulatory evolution, especially at the level of the European Union as affirmed by the European Commission in its Green Pact, all sectors of activity will be subject to a legal obligation to decarbonize. The implementation of CSRD reporting (Corporate Sustainability Reporting Directive) for Gaumont, initially scheduled in 2026 on fiscal year 2025, is likely to be postponed following the Omnibus Directive presented in March 2025.

In order to support the ecological and energetic transition, the CNC (French National Center for Cinematography), will implement eco-conditionality measures for the obtaining of grants. These measures aim to support producers in a more responsible transformation of the feature film and audiovisual sectors, to sensibilize them to the environmental impact and to help them to reduce it. A provisional carbon footprint must be submitted at the production estimate stage and another one to be submitted at final production estimate. The definitive footprint of the work will permit to note the differences between the forecast in order to observe the savings achieved by the low-carbon strategy implemented. The implementation of carbon footprint requirement is envisaged in a progressive manner.

Failure to address environmental issues in a structured manner could lead to a loss of opportunities for Gaumont, such as higher financing costs, decrease in tax credits and subsidies, and, more globally, difficulty in meeting the requirements of stakeholders who will themselves have to address these issues.

Actions implemented to control and mitigate the effects

In 2021, Gaumont have designated a referent to deal with social and environmental responsibility. An impact report on Gaumont's environmental footprint is presented each year to the Board of Directors, in order to better address all the issues raised by environmental and social risks. Gaumont is also in a process of structuring itself to meet the future challenges of the CSRD Directive.

In its production activities, Gaumont strives to limit its footprint on greenhouse gas emissions and resource consumption by implementing specific measures for each shooting under its responsibility. These measures, whenever possible and without compromising artistic and technical quality, include for example optimizing travel, using recycled sets, and recycling consumables.

For French feature films and audiovisual works for which Gaumont is responsible of their production, carbon footprints are systematically carried out. These carbon footprints will allow Gaumont to meet future regulatory requirements but also to identify areas for improvement in order to adopt the most relevant strategy possible.

Operating risks

Production hiatus or delays and associated cost overruns

Description of the risk and its effects

The production business requires Gaumont to face hazards on a permanent basis and to demonstrate a substantial ability to adapt. Numerous events can cause production delays and automatically, an inflation in production costs. In activities where investments are substantial and margins are sometimes uncertain, it is necessary to limit the risks of loss at the outset of the prefinancing phase.

Actions implemented to control and mitigate the effects

Gaumont organizes its production teams around several key specialized positions responsible for ensuring on a permanent basis that projects are carried out smoothly.

Production supervision is handled by a line producer whose role is to monitor the budget of the film, to authorize expenses, to ensure that the filming schedule is respected and to supervise the editing work. The line producer is assisted by a production manager whose role is to ensure that adequate resources are provided for the project and to monitor the execution of the budget. Production controllers are responsible for monitoring the cost of ongoing productions and the associated financial risks. The teams play a vital role in controlling production costs by monitoring the production budgets in close collaboration with the production administrator.

Insurance specific to the production business is taken out in order to cover in the preparation and production phase the risk of illness or accident affecting the main actors or the director as well as the risk of damage to the master recording. Completion guarantees can also be subscribed when the context requires it.

Lack of availability of authors and artists

Description of the risk and its effects

The creative process for an audiovisual project starts with an original idea and includes the writing, shooting, and editing stages until the work is presented to the public. The manufacturing chain for a feature film or a television show is lengthy and often complex, involving collaboration among numerous technicians and artists.

Because of the increase in volume, particularly with the surge of orders from video on demand platforms, producers are increasingly facing with the lack of availability of authors, actors, graphic designers, and other specialized technicians. This situation is forcing producers to resort to often costly measures such as exclusivity contracts or to call on foreign resources. These practices lead to financial risks for producers with no guarantee that projects will be produced, but also legal risks related, for example, to a misunderstanding of the employment and tax regulations applied to foreign residents.

Actions implemented to control and mitigate the effects

In order to guard against a lack of resources, Gaumont's main strategy is based on quality partnerships with talent agencies, to confirm or forge relationships of trust with authors, professionals and their agents.

To allow Gaumont to work with participants residing abroad, some subsidiaries have been registered with the main English-speaking guilds, and partnerships have been entered into with local companies specializing in managing authors and performers for production companies.

Internal procedures have also been put in place to guarantee the proper administrative management of those particular issues.

Financing of investments

Description of the risk and its effects

Developing projects and producing works are costly processes that commit Gaumont over several years.

In the case of feature-length films, Gaumont's investments can be significant and the margins sometimes uncertain. Therefore, the risk of losses must be capped from the pre-financing phase.

In audiovisual production, most of the funding contracts call for instalments with periodic payments throughout production and beyond the delivery date. To ensure the simultaneous funding of all its activities, Gaumont must be able to quickly mobilize substantial financial resources.

Actions implemented to control and mitigate the effects

To preserve its investment capacity while increasing the number of projects, Gaumont engages in products with variable budgets and diversifies the typology of its productions, alternating among projects produced internally, all-inclusive investments and projects without liquidity advances.

To cover its cash needs, particularly during the production cycle, Gaumont resorts regularly to dedicated bank financing, particularly in the United States, where investments are traditionally quite high.

Within the Finance department, a financing and treasury department ensures that Gaumont always has access to adequate, long-term sources of available cash to enable the business to continue to operate. Cash positions are checked daily, and cash flow forecasts are drawn up and reviewed periodically. This department also sets hedging policy to manage the risks inherent in the borrowings.

The analysis of the financial risks associated with liquidity needs, with changes in interest rates and currency fluctuations is presented in detail in note 7.1 to the consolidated financial statements.

Business development outside of France

Description of the risk and its effects

After developing its audiovisual production business in the United States, Gaumont established, since 5 years, a European presence in the United Kingdom, Germany and Italy. These phases of international development require massive investments and additional cash needs to develop series and for ramp up costs.

In addition to cash requirements, investments in companies outside the euro zone expose Gaumont to currency fluctuations.

Actions implemented to control and mitigate the effects

Controlling the development expenses of the new activities is ensured by establishing estimated budgets and by controlling the available financing for subsidiaries under development. Financing resources are centralized, and cash is supplied monthly based on cash estimates established by the subsidiaries and monitored centrally by the Corporate Finance department.

In order to mitigate foreign exchange risks related to the development of business abroad, Gaumont regularly assesses opportunities to hedge foreign exchange risks. The analysis of the foreign exchange risk and hedgings implemented are presented respectively in notes 7.1 and 7.2 to the consolidated financial statements. Moreover, Gaumont has chosen to locate part of its financial resources directly in the United States in order to finance its local needs in local currency.

Risk of disputes

Complexity of the regulations associated with intellectual property rights

Description of the risk and its effects

Intellectual property constitutes the heart of the cultural and artistic industry. Like other cultural industries, the audiovisual industry is therefore exposed to legal risks, primarily including disputes relating to intellectual property rights and sharing proceeds from the release of a work.

Actions implemented to control and mitigate the effects

Management of rights is at the heart of most of Gaumont's activities. In order to ensure compliance with regulations at all times and to limit the risk of disputes to the extent possible, lawyers specialized by activity take charge of negotiating and formalizing all contracts for authors as well as production and distribution contracts. The execution of authors' contracts is assigned to teams specializing in calculating royalties or to external partners when justified by the complexity of the contracts.

For monitoring rights and administering sales, Gaumont uses applications for managing and controlling rights in order to guarantee the chain of rights of its catalog.

In the event of a dispute concerning intellectual property rights, Gaumont is assisted by law firms with recognized expertise in this area. Where applicable, Gaumont records provisions for these risks in its financial statements. These provisions are presented in note 8.1 to the consolidated financial statements.

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURE

Compliance with a professional ethics charter

Gaumont monitors compliance with certain rules of conduct and ethics. These are brought together in a professional ethics charter which sets out a Code of conduct with which employees must comply, with specific reference to stock market dealings, the confidentiality of Gaumont's data and relationships with clients and suppliers. Employees must confirm in writing that they will adhere to these rules. The professional ethics charter is appended to Gaumont's rules of procedure, which also sets out the rules for using the IT, telephone and internet tools and reminds users of their responsibilities in this area.

Centralized management of internal control

Gaumont's internal control is based on the principles and components of the AMF's simplified Reference Framework for small caps and midcaps.

The internal control principles and guidelines are drafted by Gaumont's Accounting department and then distributed to all subsidiaries. The guidelines are transposed into procedures at company level and implemented with the help of local resources and centralized departments.

When companies are acquired, Gaumont makes every effort to integrate the mechanism within a reasonable time frame, which may, however, vary according to the size of the company.

The half-yearly report on the internal control strategies and activities is submitted to the Audit Committee, which delivers an opinion on the work carried out and the general mechanism put in place.

Managing IT risk

The management of IT risk is organized into four key areas: the security policy, segregation of functions, change management and user training.

The security policy covers outsourced hosting of infrastructure, firewalls and network updates, multiple data backups, two-step password protection and secure e-mail access, updating of workstations and protection against new threats, spam filters and domain name protection.

The segregation of functions in the applications is done through user account management, with a separation of read, change and configuration rights. These rights are managed by administrators who are not involved in producing accounting and financial information.

Change management oversees the corrective maintenance and upgrading of the applications. The most important interventions are carried out as part of structured projects, and with the support of specialized consultants when necessary.

To train users, Gaumont regularly holds educational sessions on IT security, and every year numerous users undergo training on the tools used to perform their duties.

Finally, all employees now work on laptops configured for remote working. Access is secured via a VPN portal to guarantee the confidentiality of information sent online.

Internal control and risk management procedures in place for the preparation and processing of the accounting and financial information

To control the risks which could have a direct impact on the accounting and financial information, Gaumont put in place an internal control system based on a set of rules and procedures which it strives to permanently upgrade and adapt.

The main principles of Gaumont's internal control system

Expenditure workflow and control procedures and fraud risk management

All expenditures and financial flows of Gaumont and its subsidiaries are subject to a multi-level validation procedure.

BUDGET CONTROL

Each year, the operations and functional managers submit to Executive management and the Finance department their strategy, objectives, and detailed budget requirements for the following year. Once approved by Executive management, a consolidated summary is compiled by the Finance department and submitted to the Board of directors. The approved budgets serve as a reference for expenditure commitments for the following fiscal year.

As films are released in movie theaters and television programs delivered, the Finance department arranges for the business forecasts to be updated. By doing this, any significant variation in activity which could impact the consolidated results can be anticipated. All the budgets are updated at least once a year and submitted to the meeting of the Board of directors called to approve the budget for the following year.

Structural and general operating expenses are reported half-yearly.

VALIDATION OF EXPENDITURE

Gaumont's organization is structured around levels of authority and responsibility. It is based on a delegation and transaction authorization system drawn up to meet the specific needs and constraints of every activity. The procedures are formalized in the procedure manual and apply to all business sectors of Gaumont and its subsidiaries.

An organization which structures transactions and delegations of power is key to risk management within Gaumont. To further tighten the control of its processes, Gaumont implemented an invoice validation workflow software, which guarantees compliance with the internal delegation rules.

In addition, an electronic management tool for employee expense reports was set up with managerial approval levels and is administered by a non-signatory user.

CONTROL OF PAYMENTS

To limit the risk of misappropriation of funds, Gaumont has a double signature policy in place for all payment means.

This offers security against internal fraud and provides more opportunities to detect errors and anomalies.

The bank signature is electronic, in the form of secure validation keys that are personal to each signatory, respecting the principle of double electronic signature.

The bank signature rules are recorded in an information system with rights management and administered by a non-signatory user external to cash management.

SEGREGATION OF FUNCTIONS IN THE FINANCE DEPARTMENT

The Finance department is organized into specialized departments to separate bookkeeping, financial audit, cash management, and internal control functions. The people involved in the processes most susceptible to fraud, such as managing third parties and bank references, issuing payments, and validating invoices, are spread among different departments. When the organization does not allow optimal separation of functions, internal control and the Accounting department validate the relevant procedures.

PREPARATION AND APPROVAL PROCEDURES FOR FINANCIAL STATEMENTS

Preparation of the financial statements for publication is covered by a procedure which involves several departments and is organized according to a detailed timetable drawn up by the Finance department. This timetable, which sets out the sequence of the work to be carried out by the different departments, is distributed to all relevant employees and the IT teams.

The data from the different departments are cross-checked by the Accounting department and the Controlling department to ensure consistency between management data and statutory accounting data.

Market software is used to keep the books and consolidate the financial statements, to guarantee compliance with the accounting rules, and is adapted to meet the specific business needs of Gaumont and its subsidiaries, for example using analytic plans to monitor activities.

Gaumont's separate and consolidated financial statements are audited each year and undergo a limited half-yearly review, in compliance with the rules of independence and the code of conduct of the statutory auditors, whose working methods focus particularly on controlling the risk of fraud and errors in preparation of the financial statements.

The financial information is submitted to the Executive management and the Board of directors for approval, as required by law, and published in accordance with the rules governing listed companies.

3 CONSOLIDATED FINANCIAL INFORMATION

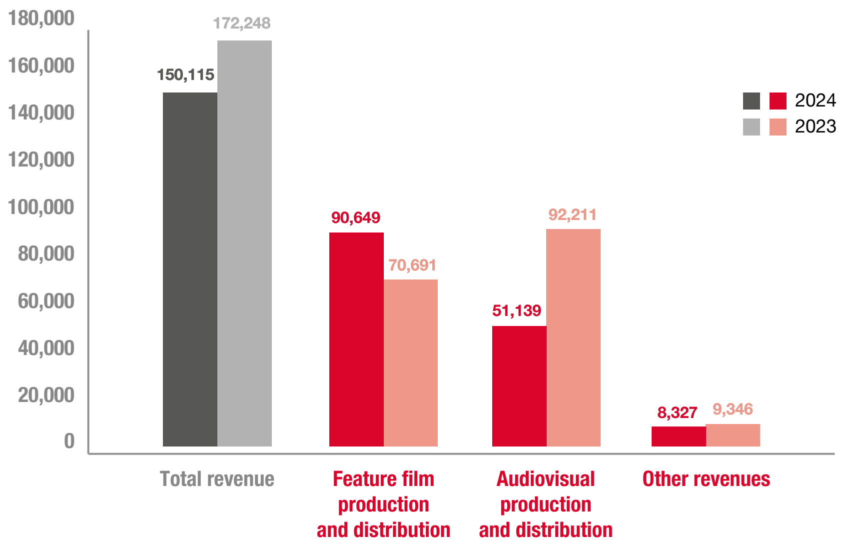
ANALYSIS OF CONSOLIDATED RESULTS

Revenue and breakdown by business

Gaumont's consolidated revenue amounted to k€150,115 in 2024, compared with k€172,248 in 2023.

Revenue by business activity breaks down as follows:

In thousands of euros

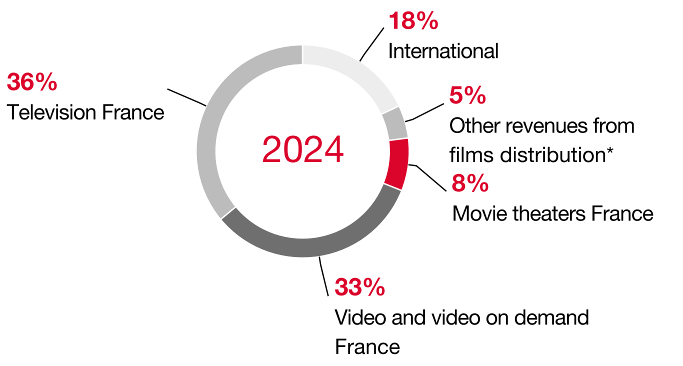


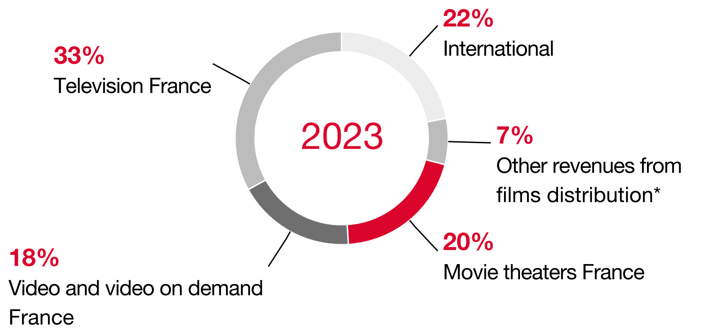
The consolidated income attributable to owners of the parent represented a loss of k€7,674 in 2024, versus a loss of k€3,683 in 2023.

Feature film production and distribution

Revenue from the feature film production and distribution business amounted to k€90,649 in 2024 compared to k€70,691 in 2023, while income from the business, including dedicated financing costs, before overheads, amounted to k€23,313 in 2024, compared to k€18,936 in 2023.

Revenue from the feature film production and distribution business breaks down by operating medium as follows:





Primarily includes spin-off products, music publishing and the GP Archives business.

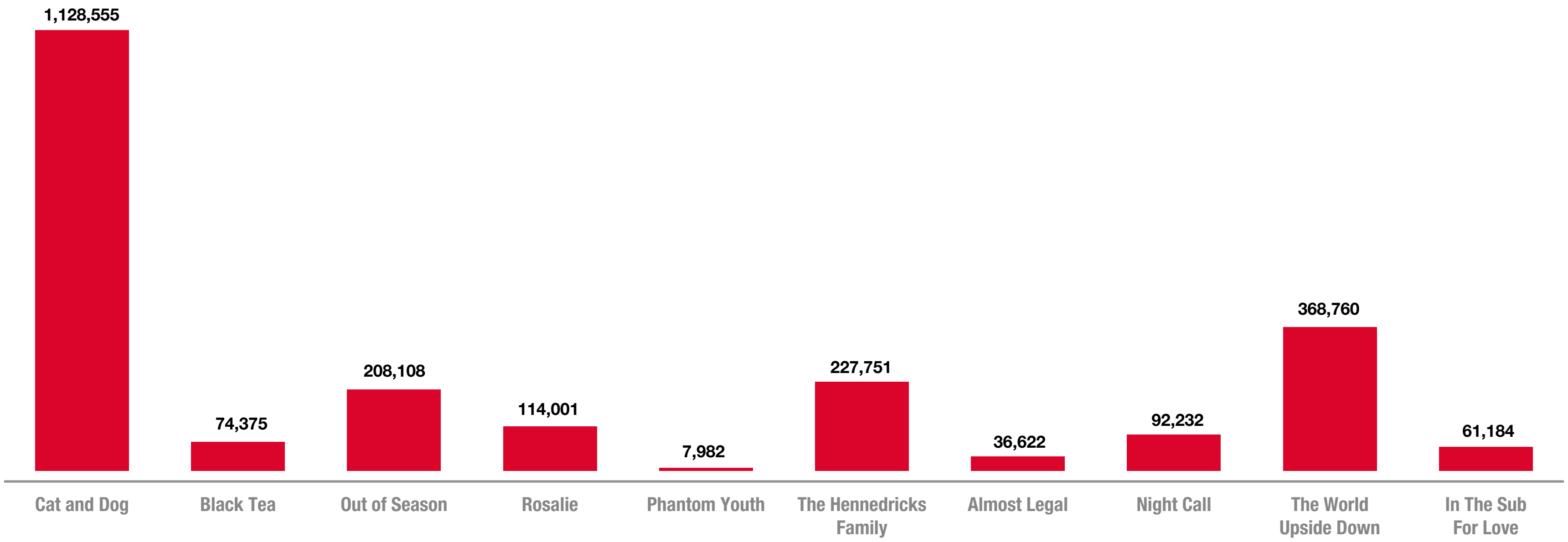
Movie theater distribution

Revenue from the release of films in movie theaters in France stood at k€7,388 as of December 31, 2024, compared to k€13,899 as of December 31, 2023.

Ten films were released in movie theaters in 2024:

- *Cat and Dog* by Reem Kherici with Franck Dubosc, Reem Kherici and Philippe Lacheau;
- *Black Tea* by Abderrahmane Sissako with Nina Melo and Han Chang;
- *Out of Season* by Stéphane Brizé with Guillaume Canet and Alba Rohrwacher;
- *Rosalie* by Stéphanie Di Giusto with Nadia Tereszkiewicz, Benoît Magimel, Benjamin Biolay, Guillaume Gouix and Gustave Kervern;
- *Phantom Youth* by Luàna Bajrami with Elsa Mala and Albina Krasniqi;
- *The Hennericks Family* by Laurence Arné with Dany Boon and Laurence Arné;
- *Almost Legal* by Max Mauroux with Marley Duboscq, Joseph Pierre, Léo Castell and Marie-Anne Chazel;
- *Night Call* by Michel Blanchart with Jonathan Feltre, Jonas Bloquet and Romain Duris;
- *The World Upside Down* by Nicolas Vanier with Michaël Youn, Barbara Schulz, Eric Elmosnino, Valérie Bonneton and François Berleand;
- *In The Sub For Love* by Lucas Bernard with Pio Marmaï, Eye Haidara and José Garcia.

2.3 Million cinema tickets sales were recorded for these films released in 2024, while 4,7 million cinema ticket sales were recorded for the twelve films distributed in 2023. The breakdown by film of these cinema ticket sales in 2024 is as follows:



The films released in 2023, still showing in 2024, recorded 181,495 cinema ticket sales in 2024.

Sales of broadcasting rights for French television channels

Revenue from sales of broadcasting rights to French television channels amounted to k€32,108 as of December 31, 2024, compared to k€23,073 as of December 31, 2023.

In 2024, the release windows of 199 Gaumont catalog films opened, compared to the release windows of 118 films in 2023.

Revenues related to the television broadcasting rights of the films *The Edge Of Blade*, *Rumba Therapy*, *Natural Born Liar*, *Christmas Unplanned*, *The Colors of Fire*, *Out of Season* and *Neneh Superstar* contributed k€11,240 to revenue in 2024.

Video publishing and video on demand

Revenue from video on demand and video publishing amounted to k€30,068 in 2024, compared with k€13,093 in 2023.

For 2024, it includes revenue recognized overtime of one production on behalf of Netflix, *Squad 36* and a production on behalf of Amazon, *Carjackers*.

Revenues related to the sale of first-run rights to a film released in theaters in 2023 to a SVOD platform contributed k€2,200 thousand to revenue in 2024.

The best-selling new releases on VOD in 2024 were *A Difficult Year*, *Cat and Dog* and *Yo Mama*.

Sales of physical video media were down slightly compared to 2023.

Export sales of rights

Revenue from export feature film distribution amounted to k€16,327 in 2024 compared to k€15,380 in 2023. The most promising new titles for export in 2024 were *Cat and Dog*, *The Pot-au-feu* and *Out of Season*.

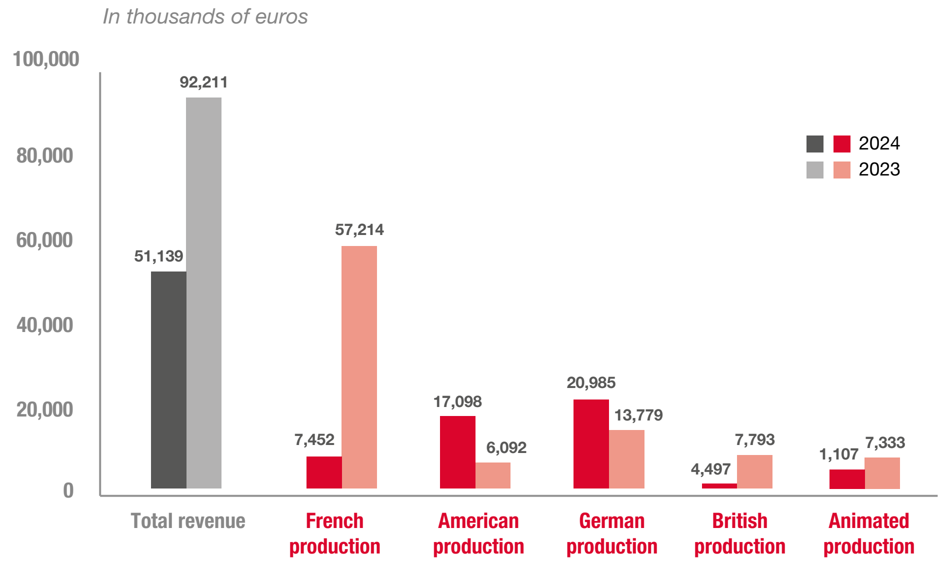
Other income in movie distribution

Revenue from other types of distribution amounted to k€4,758 in 2024 compared with k€5,246 in 2023. It includes revenues from the sales of goods, distribution of archival images by GP Archives, music publishing, adaptations and sales of spin-off products.

Audiovisual work production and distribution

Revenue from the audiovisual works production and distribution business came to k€51,139 in 2024, versus k€92,211 in 2023, and income of the business, including dedicated financing costs, before overheads and including non-controlling interests stood at k€13,407 in 2024, compared to k€22,446 in 2023. The income includes a non-recurring income of k€1,835, compared to a non-recurring income of k€6,000 in 2023.

Revenue by business activity breaks down as follows:



Four audiovisual works were delivered in 2024, compared to thirteen in 2023.

In 2024, revenue and income also include income and expenses recognized overtime of series in production and not yet delivered, such as *Bone Palace* in Germany in production for Netflix and *El Futuro Desierto* in production in the United States for Paramount.

Holding and real estate activities

Revenue from holding company and real estate activities amounted to k€6,640 in 2024 compared to k€8,643 in 2023, while income from the business, before overheads, amounted to k€4,421 in 2024 compared to k€6,387 in 2023. This change reflects the change of brand of movie theaters previously operated under the Gaumont brand.

Overheads and other income

Revenue linked mainly to services provided on behalf of third parties amounted to k€1,687 in 2024 compared to k€703 in 2023. The net overheads of the various operational activities as well as the functional and central services amounted to k€48,424 in 2024 compared to k€47,911 in 2023.

The average workforce in 2024 is composed of 232 full-time equivalent workers, and breaks down as follows:

	2024			2023		
BUSINESS SEGMENT	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Gaumont SA	49	79	128	46	77	123
Feature film production and distribution subsidiaries(1)	6	7	13	7	7	14
Animated films and series production	4	3	7	6	3	9
Television drama production	32	52	84	33	56	89
AVERAGE WORKFORCE	**91**	**141**	**232**	**92**	**143**	**235**
France	*67*	*101*	*168*	*65*	*100*	*165*
Germany	*6*	*14*	*20*	*7*	*13*	*20*
Italy	*4*	*3*	*7*	*3*	*2*	*5*
United Kingdom	*5*	*10*	*15*	*4*	*9*	*13*
United States	*9*	*13*	*22*	*13*	*19*	*32*

(1) Archive images management companies are included in this scope.

The net cost of financing general needs amounted to k€1,086 in 2024 compared to k€2,997 in 2023.

Income included a current tax expense of k€26 in 2024, compared with k€104 in 2023, and deferred tax expense of k€720 compared with k€163 in 2023.

Cash flows and financial structure

Cash flows

As of December 31, 2024, the Gaumont group had k€87,762 in cash, compared with k€106,875 at the beginning of the period, *i.e.* a negative change of k€19,113.

In 2024, current Group business activities generated k€97,462 in net positive cash flows, versus k€89,820 in 2023.

Investment activities

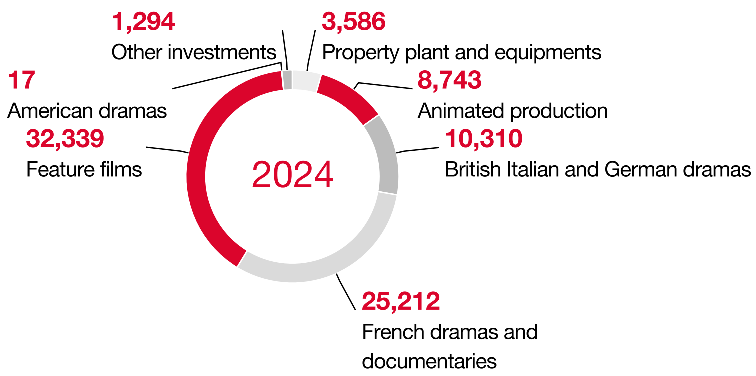
Net cash flows allocated to investments amounted to k€83,874 as of December 31, 2024, against k€66,708 as of December 31, 2023.

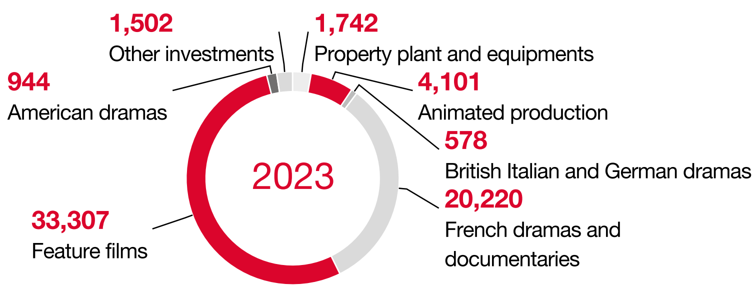
Over the last two fiscal years, investments, excluding changes in related liabilities, were as follows:

(in thousands of euros)	2024	2023
Intangible assets	77,847	60,624
Property, plant and equipment	3,586	1,742
Long-term financial assets	68	28
Acquisitions of shares	-	3,106
TOTAL INVESTMENTS	**81,501**	**65,500**

Investments in intangible assets are mostly made up of investments in feature film and audiovisual program production. The volume of investments varies from one year to another depending on the type and number of ongoing projects.

Investments by type are presented below, excluding acquisitions of shares *(in thousands of euros)*.





Financing activities

In 2024, the cash flows relating to financing activities include a decrease in the debt for k€31,260 with in particular the repayment of the second tranche of the bond for k€15,000, the refinancing loan for k€9,375 and the State-guaranteed loan for k€6,250. The payment of interest on borrowings, net of income generated by hedging, amounts to k€3,107 and is partly offset by the receipt of income from cash equivalents for k€2,631.

Financing flows also include repayments of lease and finance lease liabilities, recorded under liabilities in the statement of financial position. These cash flows amounted to k€2,187 in 2024.

Equity

Consolidated equity attributable to shareholders of the parent company stood at k€184,346 as of December 31, 2024, compared to k€193,640 as of December 31, 2023.

The consolidated statement of financial position stood at k€376,726 as of December 31, 2024, compared to k€399,592 in the previous year.

Financial borrowings

The Group's net financial borrowings came to k€-52,396 as of December 31, 2024, versus k€ -40,511 as of December 31, 2023. They mainly include k€87,820 of positive cash flow, k€13,478 of refinancing loans, and k€18,741 of State-guaranteed loans.

Financial borrowings do not include lease liabilities under IFRS 16, which amounted to k€5,251 as of December 31, 2024, compared with k€5,434 as of December 31, 2023.

In France, based on its growth policy, Gaumont estimates that its available cash, operating cash flows, refinancing loan and revolving credit line will cover its financing requirements, excluding any acquisitions.

In the United States and Europe, the Group has to take out bank loans to finance its productions and uses the assignment of receivables to fund new projects. These borrowings are guaranteed solely by the rights and receivables attached to the assets financed.

The Group believes that it has adequate means to honor its commitments and to guarantee the continuity of its business.

Bank loan

In 2021, Gaumont took out a State-guaranteed loan for a total amount of k€25,000.

Gaumont also took out a loan agreement in the same year, comprising, for the refinancing of the first tranche of the bond presented above, a reducing loan totaling k€37,500, and a revolving credit facility of k€62,500 to finance its general needs. The terms of these two loans are linked to three financial ratios calculated half-yearly. These ratios are presented in note 7.1 to the consolidated financial statements. The pledging of several titles in the catalog to the lending institutions made it possible to draw down the reducing loan. At December 31, 2024, Gaumont had an available balance of k€62,500 under the revolving credit facility.

Self-liquidating production loans

To finance American series, Gaumont Television USA and Gaumont Animation USA production subsidiaries take out production loans with American credit institutions specialized in financing production companies. They are exclusively allocated to financing the series concerned and are guaranteed until the amount borrowed, interest and related charges are recovered, by pledging the assets financed and all of the pre-sales, tax credit and sales contracts, with no further guarantee given. The loans include a completion guarantee contract signed with a company specialized in audiovisual production.

No new production loans were taken out in 2024.

Assignment of receivables

In order to finance French productions, Gaumont might use the assignment of receivables under the Dailly Law. Assignments within the framework of these contracts are generally linked to pre-financing the production, such as pre-sales to the main broadcaster, contributions of co-producers, or allowance from the support funds to the audiovisual industry. No receivables assignment agreement was outstanding as of December 31, 2024.

In the United States, Gaumont entered into a receivables assignment agreement for a maximum authorized amount of k$50,000 to finance the development of its new projects. This line of credit is based on the series' operating receivables, with the exception of receivables pledged to production loans. As of December 31, 2024, the liability related to these receivables sales amounted to k$156 for an available drawdown of k$3,564.

Detailed characteristics of these loans are set out in note 6.2 to the consolidated financial statements.

Other borrowings

Other borrowings included, in particular, debt to the *Caisse des dépôts et consignations* in respect of its investment in the back-catalog restoration and digitization program, which totaled k€2,395 as of December 31, 2024.

Outlook

Gaumont is not aware of any other risks and uncertainties for 2025.

One film was released in movie theaters on January 1, 2025: *How to Make a Killing* by Franck Dubosc. It had attracted 1.5 million viewers in movie theaters by the reporting date.

A single unit was delivered to Netflix and uploaded on February 28: *Squad 36* by Olivier Marchal.

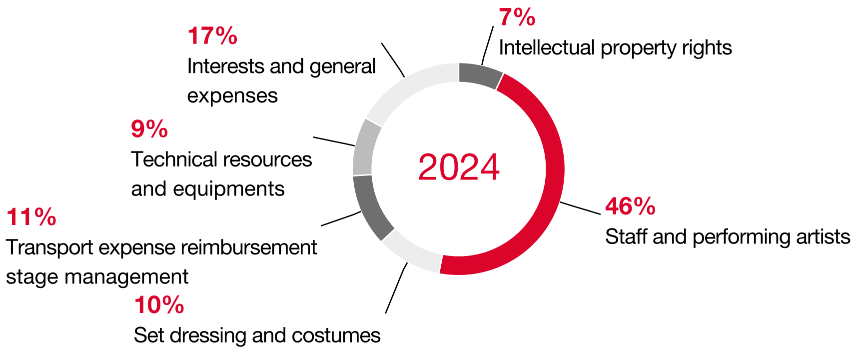
Gaumont plans to release six other films in movie theaters in 2025, and has produced or is in the process of producing three one-offs, five fiction series and one children's cartoon series for partial or full delivery in 2025. Two drama series and one-off could go into production and be delivered before the end of the year.

Production costs and coverage rate

Cinema production

BREAKDOWN OF PRODUCTION COSTS

During 2024, Gaumont produced or co-produced, in part or in full, 9 feature films. The total average expenses for all the films in which Gaumont invested breaks down as follows:



On average, 40% to 50% of the production costs of feature films are payments to staff and performing artists.

The breakdown by profession of contract workers in the production of films where Gaumont is line producer, is as follows:

CONTRACT WORKERS BY PROFESSION	2024	2023
Technicians	808	742
Artists and Actors	323	229
Extras	1,777	2,124
TOTAL WORKFORCE	**2,908**	**3,095**
Number of hours Total[(1)] *(in thousands)*	254	215

(1) The daily number of hours worked depends on the collective agreement, the duration of the contract and the duties of each contract worker.

COVERAGE RATE OF FILM PRODUCTION

The 2025 release program currently includes three films for which Gaumont has provided executive production: *My Mother*, *God and Sylvie Vartan* by Ken Scott, *How to Make a Killing* by Franck Dubosc and *Black to the Future* by Jean-Pascal Zadi.

The average coverage rate of in-house productions scheduled for release in 2025, determined on the date of the decision to go into production, is 82%.

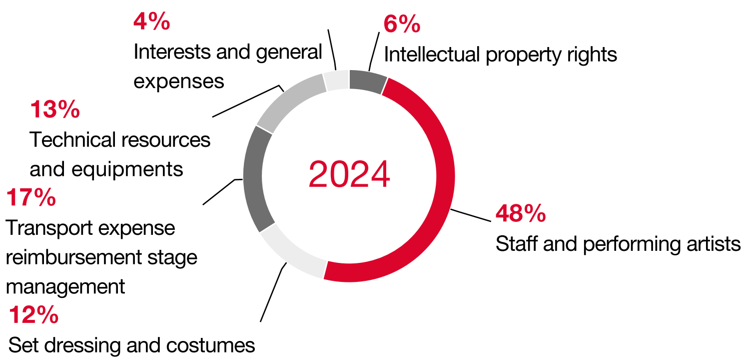
For the other films in its release program, Gaumont has opted for a fixed investment, thus limiting its risk of exposure to unforeseen production delays and cost overruns. Most of the cost of the film and pre-financing, such as contributions and pre-sales, is recognized by the executive producer responsible for line production.

European audiovisual dramas production

BREAKDOWN OF PRODUCTION COSTS

In 2024, Gaumont and its subsidiaries produced around 19 hours of European television dramas representing a total budget of approximately €46 million.

The breakdown of this budget by cost type is as follows:



On average, 40% to 50% of the production costs of European television dramas are payments to staff and performing artists.

The breakdown of contract workers employed by Gaumont and its subsidiaries in the production of European dramas is as follows:

CONTRACT WORKERS BY PROFESSION	2024[1]	2023[2]
Technicians	1,020	2,167
Artists and Actors	231	416
Extras	1,943	5,255
TOTAL WORKFORCE	**3,194**	**7,838**
Number of hours Total[3] *(in thousands)*	311	569

(1) Missing data for one drama.
(2) Missing data for three dramas.
(3) The daily number of hours worked depends on the collective agreement, the duration of the contract and the duties of each contract worker.

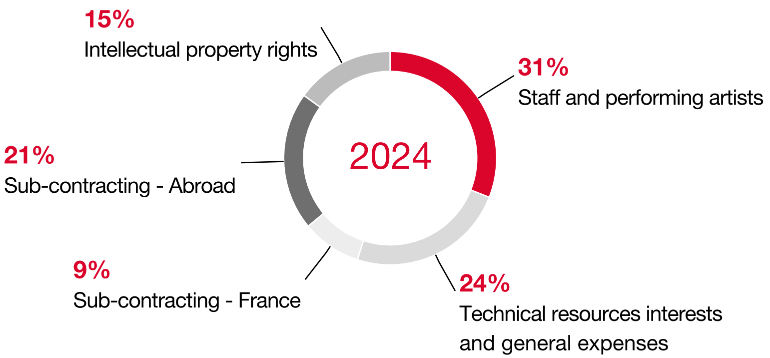
COVERAGE RATE OF EUROPEAN TELEVISION DRAMA PRODUCTION

The total coverage rate for European internal productions scheduled for delivery in 2025, including tax credits, is more than 100% for French, German and British television dramas as of the date of the decision to go into production.

Animated production

BREAKDOWN OF PRODUCTION COSTS

In terms of its animated production, Gaumont has incurred €13 million of production costs in 2024 on an accumulated total production budget of €33 million. The breakdown of this budget by cost type is as follows:



The breakdown by profession of contract workers employed by Gaumont and its subcontractors in animated production, is as follows:

CONTRACT WORKERS BY PROFESSION	2024	2023
Technicians	136	33
Artists and Actors	-	9
Extras	-	-
TOTAL WORKFORCE	**136**	**42**
Number of hours Total[(1)] *(in thousands)*	88	8

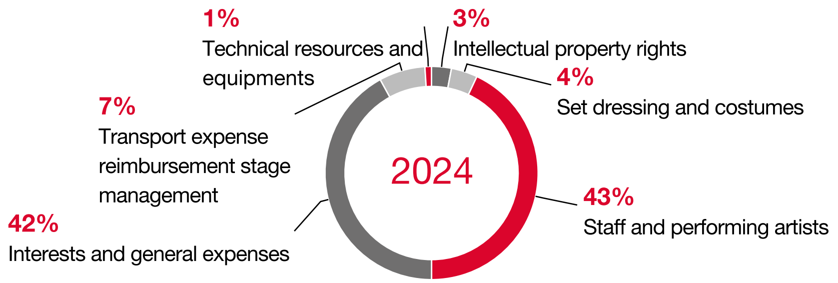
(1) The daily number of hours worked depends on the collective agreement, the duration of the contract and the duties of each contract worker. For example: technicians work 7 hours a day in animated production in France, and between 7 and 12 hours, depending on the contracts, in American animated productions.

COVERAGE RATE OF ANIMATED PRODUCTION

The coverage rate of internal production, the partial delivery of which is scheduled for 2025, determined on the date of the decision to start production, is 82%.

American audiovisual dramas production

In 2024, around 6 hours of American audiovisual dramas was produced, representing a total budget of approximately €15 million.



The breakdown of contract workers employed by Gaumont and its subsidiaries in the production of European dramas is as follows:

CONTRACT WORKERS BY PROFESSION	2024	2023
Technicians	240	-
Artists and Actors	50	-
Extras	496	-
TOTAL WORKFORCE	**786**	**-**
Number of hours Total(1) *(in thousands)*	36	-

(1) *The daily number of hours worked depends on the collective agreement, the duration of the contract and the duties of each contract worker.*

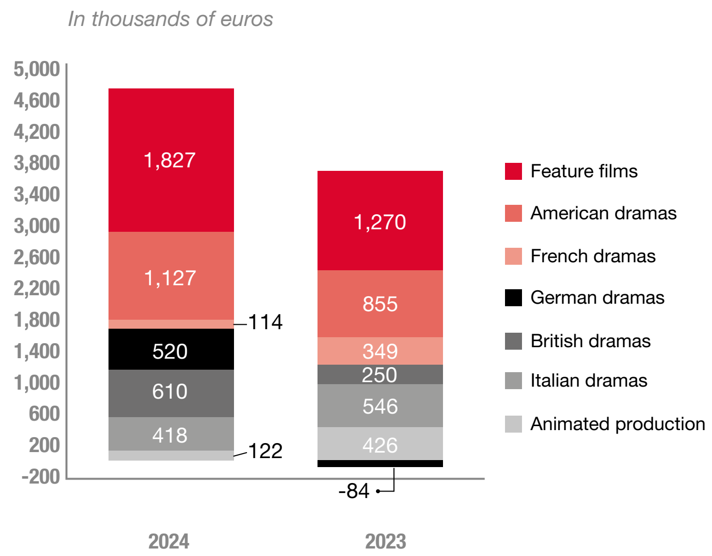
COVERAGE RATE OF ANIMATED PRODUCTION

No internal production delivery is planned in 2025.

Development costs

Development costs are all costs related to feature films, cartoon series or television dramas incurred prior to making the final decision to invest in this project. These may be copyrights, option purchase, finding a shooting location, documentary research, etc. Related costs are expensed as soon as they are incurred. They have to be considered in addition to investments.

For 2024, preliminary costs totaled k€4,738, versus k€3,612 in 2023, and were divided up into the different business segments as follows:



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(in thousands of euros)	NOTE	2024	2023
Revenue	3.2	150,115	172,248
Purchases		-1,245	-1,563
Personnel expenses	3.3	-47,227	-53,897
Other current operating income and expenses	3.4	-58,269	-38,748
Depreciation, amortization, impairment and provisions		-52,863	-80,792
Current operating income (loss)		-9,489	-2,752
Other non-current operating income and expenses	3.5	-	283
Operating income (loss)		-9,489	-2,469
Share of net income of associates		-	-
Operating income after share of net income of associates		-9,489	-2,469
Gross borrowing costs		-3,861	-5,187
Income from cash and cash equivalents		2,631	1,838
Net borrowings costs		-1,230	-3,349
Other financial income and expenses	3.6	2,299	2,679
Net income (loss) before tax		-8,420	-3,139
Income tax	9.1	694	-267
NET INCOME		**-7,726**	**-3,406**
Share attributable to non-controlling interests		-52	277
Share attributable to the shareholders of the parent company		-7,674	-3,683
Earnings per share attributable to the shareholders of the parent company			
• Average number of shares outstanding	6.1	3,119,876	3,119,876
• *In euros per share*		-2.46	-1.18
Diluted earnings per share attributable to the shareholders of the parent company			
• Average potential number of shares	6.1	3,129,412	3,130,537
• *In euros per share*		-2.45	-1.18

Statement of comprehensive income

(in thousands of euros)	NOTE	2024	2023
Net income		-7,726	-3,406
Translation adjustments of foreign operations		-5,424	2,266
Share in foreign exchange gains and losses of associates		-	-
Change in fair value of available-for-sale financial assets		-	-
Changes in the fair value of cash flow hedging instruments	7.2	-469	-675
Change in fair value of net foreign investment in hedging financial instruments		5,897	-2,637
Share of changes in fair value of hedging financial instruments of associates		-	-
Income tax on gains and losses recognized directly in equity	9.1	-1,357	828
Other elements of comprehensive income that could be reclassified later in net income		**-1,353**	**-218**
Change in asset revaluation surplus		-	-
Actuarial gains and losses on defined benefit plans	8.2	-356	793
Share of actuarial gains and losses of associates		-	-
Income tax on gains and losses recognized directly in equity	9.1	89	-198
Other elements of comprehensive income that cannot be reclassified in net income		**-267**	**595**
Total of other elements of comprehensive income after taxes		-1,620	377
COMPREHENSIVE INCOME FOR THE PERIOD		**-9,346**	**-3,029**
Share attributable to non-controlling interests		-52	277
Share attributable to the shareholders of the parent company		-9,294	-3,306

Consolidated statement of financial position

ASSETS *(in thousands of euros)*	NOTE	12.31.24	12.31.23
Net goodwill	2.4	12,035	12,035
Films and audiovisual rights	4.1	106,168	77,367
Other intangible assets	4.2	2,954	2,151
Property, plant and equipment	4.3	67,587	67,088
Investments in associates		-	-
Other financial assets	4.4	129	72
Non-current deferred tax assets	9.1	5,383	5,140
Non-current assets		194,256	163,853
Inventories	5.1	294	287
Trade receivables and contract assets	5.2	49,551	67,243
Current income tax assets	5.2	12,851	19,752
Other receivables and current financial assets	5.2	31,954	41,549
Cash and cash equivalents	6.2	87,820	106,908
Current assets		182,470	235,739
TOTAL ASSETS		**376,726**	**399,592**

LIABILITIES *(in thousands of euros)*	NOTE	12.31.24	12.31.23
Capital		24,959	24,959
Retained earnings and comprehensive income		159,387	168,681
Equity attributable to the shareholders of the parent company		**184,346**	**193,640**
Non-controlling interests		**196**	**248**
Equity	6.1	184,542	193,888
Non-current provisions	8.1	3,217	3,395
non-current deferred tax liabilities	9.1	6,350	5,558
Non-current borrowings	6.2	22,697	38,426
Other non-current liabilities	5.3	-	-
Non-current liabilities		32,264	47,379
Current provisions	8.1	1,408	1,219
Current borrowings	6.2	18,173	33,405
Trade payables	5.3	9,314	19,246
Current income tax liabilities	5.3	-	-
Other payables	5.3	58,811	53,681
Deferred income and contract liabilities	5.3	72,214	50,774
Current liabilities		159,920	158,325
TOTAL LIABILITIES		**376,726**	**399,592**

Consolidated statement of changes in equity

	ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY								
CHANGES IN EQUITY *(in thousands of euros)*	NUMBER OF SHARES	CAPITAL	CAPITAL RESERVES(1)	TREASURY SHARES	RETAINED EARNINGS AND COMPREHENSIVE INCOME	OTHER COMPREHENSIVE INCOME	TOTAL	ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL EQUITY
AS OF DECEMBER 31, 2022	**3,119,923**	**24,959**	**5,278**	**-257**	**151,672**	**15,294**	**196,946**	**-29**	**196,917**
Net income for the year	-	-	-	-	-3,683	-	-3,683	277	-3,406
Other comprehensive income	-	-	-	-	-	377	377	-	377
Comprehensive income for the year	-	-	-	-	-3,683	377	-3,306	277	-3,029
Capital transactions	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
elimination of treasury shares	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
AS OF DECEMBER 31, 2023	**3,119,923**	**24,959**	**5,278**	**-257**	**147,989**	**15,671**	**193,640**	**248**	**193,888**
Net income for the year	-	-	-	-	-7,674	-	-7,674	-52	-7,726
Other comprehensive income	-	-	-	-	-	-1,620	-1,620	-	-1,620
Comprehensive income for the year	-	-	-	-	-7,674	-1,620	-9,294	-52	-9,346
Capital transactions	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
elimination of treasury shares	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
AS OF DECEMBER 31, 2024	**3,119,923**	**24,959**	**5,278**	**-257**	**140,315**	**14,051**	**184,346**	**196**	**184,542**

(1) Issue premiums, contribution premiums, merger premiums, legal reserves.

Consolidated statement of cash flows

(in thousands of euros)	NOTE	2024	2023
Operating activities			
Consolidated net income (including non-controlling interests)		-7,726	-3,406
Net allowances for depreciation, amortization and provisions	4.5	53,316	79,562
Gains on bargain purchases		-	-283
Unrealized gains and losses related to changes in fair value	7.2	175	503
Other calculated income and expenses		-331	166
Gains and losses on disposal of assets		17	6,555
Cash flow from operating activities after tax and net borrowing costs		**45,451**	**83,097**
Net borrowings costs		1,230	3,349
Tax expenses (including deferred tax)	9.1	-694	267
Cash flow from operating activities before tax and net borrowing costs		**45,987**	**86,713**
Tax paid		20,357	13,401
Change in working capital requirement related to operating activities	5.5	31,148	-10,294
(A) Net cash flow from operating activities		97,492	89,820
Investment activities			
Proceeds from sales of fixed assets		12	37
Acquisition of long-term assets		-81,501	-62,394
Change in liabilities on investments		-2,385	-1,357
Net impact of changes in scope, net of cash acquired		-	-2,994
Change in liabilities and receivables on acquisitions and sales of consolidated shares		-	-
(B) Net cash flow from investment activities	4.5	-83,874	-66,708
Financing activities			
Gaumont SA capital increase	6.1	-	-
Dividends paid to Gaumont SA shareholders	6.1	-	-
Repayment of capital to non-controlling shareholders of consolidated companies		-	-
Dividends paid to non-controlling interests in consolidated companies		-	-
Change in treasury shares		-	-
Change in borrowings	6.2	-31,260	-27,104
Interest paid on financial debt net of income related to cash equivalents		-476	-2,421
Operating and finance lease payments and related interest		-2,187	-2,749
(C) Net cash flow from financing operations		-33,923	-32,274
(D) Impact of changes in foreign exchange rates		1,192	-694
NET CHANGE IN CASH & CASH EQUIVALENTS (A) + (B) + (C) + (D)		**-19,113**	**-9,856**
Cash and cash equivalents at beginning of period		106,908	116,755
Bank overdraft at beginning of period		-33	-24
Cash position at beginning of period		106,875	116,731
Cash and cash equivalents at end of period		87,820	106,908
Bank overdraft at end of period		-58	-33
Cash position at end of period	6.2	87,762	106,875
NET CHANGE IN CASH & CASH EQUIVALENTS		**-19,113**	**-9,856**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Presentation of the consolidated financial statements

1.1 General principles

Pursuant to Regulation (EC) No. 1606/2024 of July 19, 2002, Gaumont's consolidated financial statements for the year ended December 31, 2024, were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable on that date.

The accounting principles used to prepare the consolidated financial statements comply with IFRS standards and interpretations as adopted by the European Union on December 31, 2024, and available from the website: *https://ec.europa.eu/info/index_fr*.

These accounting principles are consistent with those used when preparing the annual consolidated financial statements for the reporting period ended December 31, 2023, with the exception of the IFRS standards and IFRIC interpretations applicable from January 1, 2024, and standards possibly applied in advance, the details and individual impact of which are described in note 1.2.

Financial statements have been prepared on a going concern basis.

The consolidated financial statements are presented in thousands of euros, unless otherwise specified.

1.2 Changes to the IFRS accounting principles

Impact of IFRS standards and IFRIC interpretations applicable from January 1, 2024

Impact of the new standards applicable to the Group from January 1, 2024, are presented below.

STANDARD		APPLICATION DATE(1)	IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GAUMONT GROUP
Amendments to IAS 1	Classification of liabilities as current or non-current	01.01.24	Not applicable
Amendments to IFRS 16	Lease liabilities under a lease sale	01.01.24	No significant impact on the consolidated financial statements
Amendments to IAS 7	Supplier financing agreements	01.01.24	No significant impact on the consolidated financial statements

(1) Unless otherwise specified, applicable to reporting periods beginning on or after the date indicated (date of EU application).

Expected impact of texts adopted by the European Union and not yet compulsory as of December 31, 2024

STANDARD		APPLICATION DATE(1)	IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GAUMONT GROUP
Amendments to IAS 21	No convertibility	01.01.25	No significant impact on the consolidated financial statements

(1) Unless otherwise specified, applicable to reporting periods beginning on or after the date indicated (date of IASB application).

Gaumont does not expect any material impact from the application of other standards or interpretations adopted and not yet compulsory.

Consequences for the Group of standards, amendments and interpretations published by the IASB but not yet adopted by the European Union as of December 31, 2024

STANDARD		APPLICATION DATE(1)	IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GAUMONT GROUP
Annual improvements	Volume 11	01.01.26	No significant impact on the consolidated financial statements
Amendments to IFRS 7 and IFRS 7	Electricity contracts whose production depends on the renewable nature and clarifications in the classification and measurement of financial instruments	01.01.26	No significant impact on the consolidated financial statements
IFRS 18	Presentation and disclosures in the financial statements	01.01.27	The impact of this standard is being assessed
IFRS 19	Subsidiaries with no public disclosure obligation: disclosures	01.01.27	Not applicable

(1) Unless otherwise specified, applicable to reporting periods beginning on or after the date indicated (date of IASB application).

Gaumont has decided to not use the option proposed by the European Commission for early application of some standards or interpretations not yet adopted.

1.3 Measurement and presentation of the consolidated financial statements

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared according to the historical cost principle. Moreover, some of the IFRS standards may provide for other measurement principles applicable to specific categories of assets and liabilities. Measurement principle used for each category of assets and liabilities are described in the corresponding notes.

Use of estimates

When preparing the consolidated financial statements, Group Management made estimates relying on assumptions that could have an impact on the value of assets and liabilities at the reporting date and on income and expenses for the period. The estimates are based on past experience and other factors deemed to be reasonable in view of the circumstances. They form a basis for determining accounting values of assets and liabilities which cannot be directly obtained from other sources. These estimates are re-examined on an ongoing basis. However, the final amounts appearing in Gaumont's future consolidated financial statements may differ from the amounts currently estimated.

Using of estimations concerns, in particular, measurement of property, plant and equipment and intangible assets, accumulated amortization of films, measurement of the loss of value on financial assets, recognition of deferred tax assets, and current and non-current provisions. Specifications relating to the estimates are provided in the notes.

Foreign currency translation

FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The functional currency of foreign subsidiaries is the local currency, defined as the currency of the economic environment in which the entity operates.

The financial statements of these subsidiaries are converted into euros, the operating currency of the parent company, when being integrated into the consolidated financial statements. In accordance with IAS 21, their statement of financial position is translated into euros at the closing rate, and their income statement is translated at the average exchange rate of the period concerned. Differences resulting from the translation are recognized as translation adjustments in consolidated equity and reported to the net income when the entity ceases to be consolidated.

FOREIGN CURRENCY TRANSACTIONS

IAS 21 "Effects of changes in foreign exchange rates" defines recognition and measurement of transactions in foreign currencies. Pursuant to this standard:

- transactions denominated in foreign currencies are translated into local currency at the exchange rate on the date of the transaction;
- monetary items in the statement of financial position are remeasured at the closing rate at each reporting date and the relevant translation adjustments are recognized in the income statement;
- translation adjustments on a monetary item that is part of a net investment in a foreign entity are recognized in other comprehensive income and reclassified in net income on disposal of the net investment.

Structure of the consolidated statement of financial position

IAS 1 "Presentation of financial statements" requires current and non-current items to be split out on the statement of financial position.

Consequently, the statement of financial position is broken down into:

- current assets are those that the Group expects to realize or use in the normal operating cycle. All other assets are deemed to be non-current assets;
- current liabilities are those that the Gaumont Group expects will be paid in the normal operating cycle. All other liabilities are deemed to be non-current liabilities.

Presentation of earnings

Operating income integrates current and non-current items related to operations.

The non-current operating income represents non-recurring operations not directly related to ordinary activities.

Proceeds from the sale of films, series and the associated audiovisual rights are included in current operating income. Proceeds from the sale of other intangible assets and property, plant and equipment and goodwill impairment losses are included in other non-current operating income and expenses.

Operating income after share of net income of associates also includes the share of net income of associates involved in an activity which is similar to or an extension of the activities of fully consolidated companies.

2. Scope of consolidation

2.1 Accounting principles and methods relating to the scope of consolidation

Consolidation methods

CONTROLLED ENTITIES

An entity is a subsidiary consolidated using the fully consolidated method when the parent company exercises direct or indirect control on the subsidiary.

In accordance with IFRS 10, there is control when the following criteria are all satisfied:

- the parent company has power over an entity;
- the parent company is exposed or has the right to variable returns depending on the performance of the entity, from its involvement with the entity;
- the parent company has the ability to use its power to affect the amount of the returns it obtains from the entity.

Power is defined as the existing rights of all types conferring on the parent company the current ability to direct the relevant activities of the entity, independently of the actual exercising of these rights. Relevant activities are those that significantly affect the entity's returns.

The parent company must present consolidated financial statements in which the assets, liabilities, equity, income, expenses and flows of the parent company and its subsidiaries are measured and recognized using uniform accounting methods as those of a single economic entity.

Subsidiaries are consolidated from the date on which the parent company obtains control. Changes to the percentage of interest in a subsidiary which do not result in the loss of control are equity transactions. When the parent company loses control of a subsidiary, the assets and liabilities of this subsidiary are derecognized from the consolidated financial statements, and the profit or loss related to the loss of control is recognized in the income for the year. If appropriate, the residual investment retained in the entity is measured at fair value on the date of loss of control.

A non-controlling interest, defined as the share in equity of a subsidiary not attributable, directly or indirectly, to the parent company must be presented separately from the equity attributable to the parent company's shareholders.

Only one parent company can control a subsidiary. In the event of collective control, no investor is deemed to have sole control of the entity, and each investor recognizes its interest in the entity using the method recommended by the applicable standard. A non-controlled entity can be classified as a joint arrangement pursuant to IFRS 11, associate or joint venture pursuant to IAS 28 revised, or a financial instrument pursuant to IFRS 9.

In accordance with IFRS 10, the companies controlled by Gaumont are consolidated. The share of net assets and net income attributable to non-controlling shareholders is shown separately as non-controlling interests on the consolidated statement of financial position and on the consolidated income statement.

ASSOCIATES AND JOINT VENTURES

In accordance with IFRS 11 and IAS 28 revised, interests held in an association or joint venture are accounted for using the equity method.

A joint venture is a business over which two or more investors have joint control and an interest in the net assets. Joint control is the contractually agreed sharing of control of the entity and exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. An associate is an entity over which the investor exercises significant influence, defined as the right to participate in financial and operating decisions without exercising control over those decisions.

The equity method consists of initially recognizing the investment at cost, then adjusting its value after the acquisition, to take into account the changes in the investor's share of the entity's net assets. Goodwill is included in the carrying amount of the investment.

The accounts used by the investor to determine its share in the net assets of the entity must be prepared using the same accounting methods as those used by the investor.

The net income of the investor includes the share of net income in the equity-accounted entity. The investor's other comprehensive income includes its share in the entity's other comprehensive income. Where appropriate, adjustments are made to the investor's share in the entity's net income, primarily to take into account depreciation and amortization of the fair value of acquired assets and liabilities and goodwill impairment losses.

If the investor's share in the losses of an equity-accounted entity exceeds its investment in that entity, the investor ceases to recognize its share in the subsequent losses. When the share is reduced to zero, the additional losses are subject to a provision in the liabilities of the financial position if the investor has contracted a legal or implied obligation to cover these losses. When the entity becomes profitable again, the investor does not resume recognition of its proportional share of profits until it has exceeded its share of unrecognized net losses.

In accordance with IAS 28, companies over which Gaumont exercises significant influence or joint control are accounted for using the equity method. Gaumont's share of the net assets of equity-accounted entities is recognized as an asset in the financial position under "Investments in associates". This share is supplemented, where applicable, by the measurement differences attributable to the assets and liabilities of the companies concerned, and the goodwill recorded at the time of the acquisition.

2.2 Main companies included in the scope of consolidation

NAME AND LEGAL FORM	HEAD OFFICE	SIREN	% INTEREST	% CONTROL	CONSOLIDATION METHOD
Holding company and other activities					
Gaumont SA	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	562 018 002	100.00		FC
Gaumont USA Inc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	100.00	100.00	FC
Piaster SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	938 952 355	100.00	100.00	FC
Cinema production and distribution					
Gaumont Films USA Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	100.00	100.00	FC
Gaumont Vidéo SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	384 171 567	100.00	100.00	FC
Gaumont Production SARL	50, avenue des Champs Élysées, 75008 Paris	352 072 904	100.00	100.00	FC
Éditions la Marguerite SARL	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	602 024 150	100.00	100.00	FC
Audiovisual production and distribution					
Gaumont Television USA Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	100.00	100.00	FC
Gaumont Télévision SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	340 538 693	100.00	100.00	FC
Gaumont Production Services SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	981 585 292	100.00	100.00	FC
Gaumont PS1 SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	984 445 122	100.00	100.00	FC
Gaumont PS2 SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	984 450 221	100.00	100.00	FC
Jour Premier Production SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	919 840 629	70.00	70.00	FC
Gaumont Animation USA Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	100.00	100.00	FC
Gaumont Animation SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	411 459 811	100.00	100.00	FC
Gaumont Studio Z SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	562 018 002	100.00	100.00	FC
Gaumont Ltd	56, Berwick Street, London, W1F 8SW	United Kingdom	100.00	100.00	FC
Gaumont (Lolly) Ltd	56, Berwick Street, London, W1F 8SW	United Kingdom	100.00	100.00	FC
Gaumont (Wives) Ltd	56, Berwick Street, London, W1F 8SW	United Kingdom	100.00	100.00	FC
Gaumont (Film Club) Ltd	56, Berwick Street, London, W1F 8SW	United Kingdom	100.00	100.00	FC
Gaumont GmbH	Breite Str 100, Köln 50667	Germany	100.00	100.00	FC
Gaumont S.r.l.	Viale Castro Pretorio no. 122, 00185 Roma	Italy	100.00	100.00	FC
Gaumont Production Télévision SARL	50, avenue des Champs Élysées, 75008 Paris	322 996 257	100.00	100.00	FC
Gaumont Production Animation SARL	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	825 337 900	100.00	100.00	FC
Narcos Productions Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	100.00	100.00	FC
Leodoro Productions Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	100.00	100.00	FC
Usagi Productions Llc	750 San Vincente Blvd, Suite RW 1000, West Hollywood, CA 90069	United States	100.00	100.00	FC
Audiovisual archive management					
GP Archives SAS	30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine	444 567 218	100.00	100.00	FC

FC: Fully consolidated.
EM: Equity method.

2.3 Changes in scope

Accounting method of business combinations

In accordance with IFRS 3, business combinations are recognized according to the acquisition method.

The first time a controlled business is consolidated, the acquired assets and liabilities as well as contingent liabilities are measured at their fair value at the acquisition date.

Optionally for each transaction, goodwill is measured on the date of taking control, either by the difference between the acquisition price and the proportionate share of the assets, liabilities and contingent liabilities measured at fair value, or including the non-controlling interests measured at fair value. This option, known as “full goodwill” results in the recognition of goodwill on non-controlling interests.

Earn outs are included in the acquisition price at fair value on the date of taking control. Subsequent adjustments to this value are recognized in goodwill, if they occur within the twelve-month measurement period, or in profit or loss beyond this date.

The direct acquisition costs are recognized in expenses for the period.

In the case of staged acquisitions resulting in taking control of the entity, the proportionate shares held prior to taking control are remeasured at fair value on the date of taking control. The impact of these revaluations is recognized in profit or loss.

Subsequent changes to the percentage of interest, while control of the acquire company is retained, constitute transactions between shareholders and have no impact on profit or loss or on goodwill. The difference between the redemption price and the proportionate share acquired (or sold) is recognized in equity.

Creation of Gaumont PS1 SAS and Gaumont PS2 SAS

In February 2024, Gaumont PS1 SAS and Gaumont PS2 SAS were created to host the productions of Gaumont Production Services SAS.

Creation of Gaumont (Film Club) Ltd

In August 2024, Gaumont (Film Club) Ltd was created in the United Kingdom for the production of a British audiovisual work.

Creation of the company Piaster SAS

In December 2024, Gaumont created the company Piaster SAS, a company dedicated for real estate purposes.

2.4 Goodwill

Goodwill measurement method

In accordance with IFRS 3, the Gaumont Group finalizes the analysis of the fair value of assets and liabilities acquired within a maximum of 12 months following the acquisition date.

Goodwill is allocated to the smallest identifiable group of assets or cash-generating units (CGU).

Goodwill is not amortized, but each cash-generating unit or group of CGUs individually undergoes an impairment test at each annual end of period. The impairment test is carried out by comparing the recoverable value and the carrying amount of the cash-generating unit(s) to which the goodwill was allocated.

The recoverable value of a cash-generating unit is defined as the higher of the fair value (usually the market price) less costs to sell and the value in use determined using the discounted future cash flow method.

Gaumont defines each entity acquired as a cash-generating unit. When the entities are integrated into a wider operating unit, the CGU is analyzed taking into account the synergies with that unit. As an exception, real estate and holding activities are identified as CGUs within the group due to their nature.

Key assumptions made in carrying out the impairment tests vary depending on the cash-generating unit’s area of business.

For feature film and audiovisual production and distribution activities, cash flows are based on business plans drawn up over a period of three years, extended to five years depending on available data, then a normative flow is capitalized by applying a perpetual growth rate. Cash flows are discounted using an appropriate rate for the type of business. Assumptions retained to conduct the impairment test are described below for each individually significant goodwill.

If the carrying amounts of the cash-generating unit exceed the recoverable value, the assets of the cash-generating unit will be impaired in order to bring them into line with their recoverable value. Impairment losses are first charged against goodwill and are recognized under “Other non-current operating income and expenses”.

Impairment losses on goodwill are irreversible.

Monitoring of goodwill

Goodwill resulting from business combinations is as follows:

	12.31.24	MOVEMENTS OF THE PERIOD +	MOVEMENTS OF THE PERIOD -	OTHER(1)	12.31.23
Animation	15,794	-	-	-	15,794
Mitzé Films	856	-	-	-	856
LGM Participations	491	-	-	-	491
Gross value	17,141	-	-	-	17,141
Animation	-4,250	-	-	-	-4,250
Mitzé Films	-856	-	-	-	-856
Impairment losses	-5,106	-	-	-	-5,106
NET VALUE	**12,035**	**-**	**-**	**-**	**12,035**

(1) Change in rate of interest, write-offs.

As an exception to the accounting principles, the goodwill relating to Gaumont Animation includes acquisition costs, in accordance with IFRS 3, applicable prior to December 31, 2009.
Goodwill is tested for impairment at each reporting date, in accordance with the provisions of IAS 36 and under the assumptions described above.
For the most significant goodwill, the key assumptions are as follows:

	CGU CATEGORY	MEASUREMENT METHOD	DISCOUNT RATE	TERMINAL VALUE	OTHER KEY ASSUMPTIONS	NET VALUE 12.31.24	NET VALUE 12.31.23
Animation	Animated films and series production	DCF	9.0%	Normative cash flow with a perpetual growth rate of 1.5%	3-year budget and going concern	11,544	11,544

(1) Budgets are based, as of the date on which they are prepared, on known firm commitments and on significant estimates relating to identified or unidentified projects, as well as on forecasts.

As of December 31, 2024, the net carrying amount of the Cash-Generating Unit (CGU) was lower than its value in use.
In the event of a 1% increase in the discount rate, the value in use of the CGU would remain higher than its net book value and no additional impairment would have to be recognized.

2.5 Seller warranties received

As of December 31, 2024, Gaumont no longer had any warranties given by sellers on the liabilities of acquired companies.

3. Transactions of the period

3.1 Operating segments

Definition of operating segments

The Group's organizational structure is based on its various businesses. Gaumont operates in three business sectors which are its operating segments:

- the production and distribution of French feature films, Gaumont's historical activity;
- production and distribution of audiovisual programs via its subsidiaries in France, the United States and Europe;
- the Group's central real estate management and coordination activities.

Segments used for segment reporting are the same as those used by Executive management, the chief operating decision maker of the Group. Operating segments are reported with grouping particularly in the operating segment of production and distribution of audiovisual programs which includes:

- production and distribution of European dramas;
- production and distribution of French dramas and documentaries;
- production and distribution of American dramas;
- production and distribution of animated films and series for younger audiences.

The measurement methods for figures by operating segment are in line with the principles and policies used to prepare the consolidated financial statements.

Segment information

2024	FRENCH MOVIE PRODUCTION AND DISTRIBUTION	AUDIOVISUAL PRODUCTION AND DISTRIBUTION	REAL ESTATE AND HOLDING BUSINESSES	INDIRECT AND UNALLOCATED COSTS	TOTAL
Revenue	90,649	51,139	6,640	1,687	150,115
Operating income from activities excluding overheads	21,666	12,848	4,421	151	39,086
Overheads	-14,016	-22,010	-	-11,480	-47,506
Income tax	-164	-18	-	876	694
NET INCOME	**7,486**	**-9,180**	**4,421**	**-10,453**	**-7,726**

2023	FRENCH MOVIE PRODUCTION AND DISTRIBUTION	AUDIOVISUAL PRODUCTION AND DISTRIBUTION	REAL ESTATE AND HOLDING BUSINESSES	INDIRECT AND UNALLOCATED COSTS	TOTAL
Revenue	70,691	92,211	8,643	703	172,248
Operating income from activities excluding overheads	17,499	21,557	6,387	-	45,443
Overheads and financial result	-12,870	-24,705	-	-11,007	-48,582
Income tax	-122	-106	-	-39	-267
NET INCOME	**4,507**	**-3,254**	**6,387**	**-11,046**	**-3 406**

Information by region

REVENUE

At December 31, 2024, revenue broken down per region by reference to the company that contributes to it is as follows:

	2024	2023
French companies	107,064	138,071
European companies	25,497	21,572
American companies	17,554	12,605
TOTAL	**150,115**	**172,248**

Revenue below is broken down by clientele commercialization zone:

	2024	2023
France	63,643	65,590
• Europe	44,491	69,585
• America	39,402	34,767
• Asia	1,722	1,403
• Africa/Middle East	588	471
• Rest of the world	269	432
International	86,472	106,658
TOTAL	**150,115**	**172,248**

NON-CURRENT ASSETS

Non-current assets other than financial instruments, deferred tax assets and assets relating to post-employment benefits, are broken down depending on where the consolidated companies are located.

The geographical distribution of non-current assets was as follows:

	12.31.24				12.31.23			
	FRANCE	EUROPE	AMERICA	TOTAL	FRANCE	EUROPE	AMERICA	TOTAL
Net goodwill	12,035	-	-	12,035	12,035	-	-	12,035
Films and audiovisual rights	99,879	6,244	45	106,168	76,997	306	64	77,367
Other intangible assets	2,954	-	-	2,954	2,149	2	-	2,151
Property, plant and equipment	62,004	1,863	3,720	67,587	61,384	1,528	4,176	67,088
Investments in associates	-	-	-	-	-	-	-	-
Other financial assets	66	63	-	129	35	37	-	72
TOTAL NON-CURRENT ASSETS	**176,938**	**8,170**	**3,765**	**188,873**	**152,600**	**1,873**	**4,240**	**158,713**

Information about the Group's major customers

The Group's top ten customers together accounted for 71% of the Group's consolidated revenue. The breakdown between customers varies significantly from one year to the next.

In 2024, sales to Netflix and to Paramount accounted respectively for 17% and 13% of consolidated revenue. No other single customer contributed more than 10% of the Group's consolidated revenue.

3.2 Revenue

Recognition of revenue

Revenue is recognized in accordance to IFRS 15. According to this standard, revenue is recognized separately depending on the nature of Gaumont's performance obligations and the rate at which they are satisfied. When a contract includes several performance obligations, each one is treated separately. Three types of revenue are identified as components of Gaumont's revenue: license sales, royalties, and service provision.

Revenue recognized in the income statement is representative of the transactions carried out by Gaumont on its own behalf. When Gaumont acts as agent, the sale proceeds are recognized in the statement of financial position as a liability to the principal and Gaumont's revenue consists solely of the commission received as consideration for the service.

LICENSING AGREEMENTS

Sales of broadcasting or distribution rights attached to Gaumont's works based on a lump sum or a guaranteed minimum are analyzed under IFRS 15 as licensing agreements giving rise to a right to use the works as they exist at the date of the sale. This revenue is recognized once Gaumont's performance obligations are satisfied and control over the use of the rights is effectively transferred to the customer, *i.e.* when all of the following events have occurred:

- the agreement defining the terms and conditions of the sale of rights is signed by all of the parties and enforceable;
- Gaumont's obligations have been fulfilled, *i.e.* delivery has been made at end of period and the material's compliance has been acknowledged by the customer before the reporting date;
- the customer has unrestricted use of the rights acquired.

Where a contract provides for multiple deliveries or where the sale relates to several separate works (or episodes), the price is allocated between the works and the revenues are recognized separately for each work.

ROYALTIES

The royalties Gaumont earns from the exploitation of its works by third parties particularly in movie theaters or on video, as well as the producer's share of proceeds, are recognized when the sale is effectively completed, in accordance with the exception envisaged by IFRS 15.B63 for proportional income derived from intellectual property licenses. These royalties are recognized on receipt of the royalty statements issued by the distributor or the producer in charge of royalties management. Royalties are recognized net of distribution fees that may be charged to Gaumont and for video sales, net of estimated refunds.

When contracts include both a fixed fee component and variable revenue, each component is measured and recognized separately according to the principles described above.

SERVICE PROVISION

Where Gaumont is commissioned to produce a work by a broadcaster and retains no intellectual property rights attached to that work, the service rendered gives rise to revenue recognition on a percentage of completion basis, provided that there is an enforceable right to payment for the service already performed and control over the work is gradually transferred to the customer.

When Gaumont acts as agent, the service is considered to be performed over the term of the contract. The commission is recognized as the sales are made.

DETERMINATION OF THE TRANSACTION PRICE

The transaction price is determined by reference to the consideration expected from the contract, whether cash or non-cash. Variable items are also included from the outset in the transaction price, except for royalties, which are recognized according to the principles described above. Fair value of the transaction is considered equal to the agreed consideration unless the agreement includes a financing component.

When the contract provides for payment terms similar to financing granted to the purchaser, the transaction price takes this component into account if it is material. The revenue is determined by discounting the future cash flows using an imputed interest rate. This rate is determined for each transaction by referring to the prevailing rate that would be obtained by the third party from a credit institution to finance a similar transaction.

Revenue for the period

	2024			2023		
	FRANCE	ABROAD	TOTAL	FRANCE	ABROAD	TOTAL
French feature film production and distribution	53,945	36,704	90,649	50,365	20,326	70,691
Movie theater distribution	7,388	-	7,388	13,899	-	13,899
Video publishing and video on demand	10,953	19,115	30,068	9,540	3,553	13,093
Television broadcasting rights	32,108	-	32,108	23,073	-	23,073
International sales	-	16,327	16,327	-	15,380	15,380
Other movie distribution income	3,496	1,262	4,758	3,853	1,393	5,246
Audiovisual production and distribution	2,523	48,616	51,139	6,190	86,021	92,211
Distribution of American dramas	60	3,294	3,354	74	4,132	4,206
Distribution of French dramas	2,189	526	2,715	5,723	12,897	18,620
Distribution of European dramas	-	4,855	4,855	-	6,043	6,043
Distribution of animated films and series	274	833	1,107	377	8,564	8,941
Drama production	-	39,108	39,108	16	55,992	56,008
Animated series production	-	-	-	-	1,607	1,607
Real estate and holding businesses	6,625	15	6,640	8,341	302	8,643
Other miscellaneous revenue	550	1,137	1,687	694	9	703
TOTAL	**63,643**	**86,472**	**150,115**	**65,590**	**106,658**	**172,248**

In 2024, feature film production and distribution and audiovisual production and distribution accounted for 60% and 34% of consolidated revenue, respectively.

The Group generated 58% of its revenue outside France in 2024, compared with 62% in 2023.

Work made for hire production recognized overtime totaled k€58,213 in 2024 compared to k€53,429 in 2023.

Rents received from the leasing of investment properties amounted to k€6,343 at December 31, 2024, and are included in real estate and holding activities.

3.3 Personnel expenses

Breakdown of personnel costs

Personnel expenses include all fixed and variable compensation, employee benefit and share-based payments issued for Gaumont personnel or executive officers.

	2024	2023
Salaries	-33,017	-40,749
Social security contributions	-14,740	-12,993
Employee profit-sharing	-4	-4
Pensions and similar benefits	534	-151
Share based payments expense	-	-
TOTAL	**-47,227**	**-53,897**

Compensation includes k€9,291 in salaries paid to contract workers employed in the production to order of films and series as of December 31, 2024, compared with k€16,658 as of December 31, 2023. Related social security contributions totaled k€3,360 as of December 31, 2024, versus k€5,471 as of December 31, 2023.

Average workforce broken down by category

The table below gives the workforce of the companies consolidated using the full consolidation method:

	2024	2023
Managers	131	133
Supervisors	47	45
Employees	54	57
TOTAL WORKFORCE	**232**	**235**

Compensation of corporate officers

Executive officers as defined by IAS 24 only include individuals who are or were during the year members of the Board of directors or the Executive management.

The gross salaries and benefits prior to social security and tax deductions allocated by Gaumont with respect to the position of corporate officer broke down as follows:

	2024	2023
Total gross compensation(1)	1,636	1,636
Post-employment benefits(2)	-	-
Termination or end of contract benefits	-	-
Other long term benefits	-	-

(1) Salaries, bonuses, indemnities, directors' fees and benefits in kind allocated to corporate officers and payable for the year.
(2) Current service cost.

No compensation or directors' fees were paid to corporate officers by the controlled or controlling companies within the meaning of article L. 233-16 of the French Commercial code.

Corporate officers did not benefit from any golden hello, golden handshake, or supplementary pension plan.

Commitments related to employees

Gaumont is engaged toward certain of the American employees within the framework of fixed-term employment contracts. These commitments amounted to k€2,626 as of December 31, 2024, versus k€2,475 as of December 31, 2023.

3.4 Other current operating income and expenses

Other income and expenses by type

	2024	2023
Automatic financial support	5,577	-8,479
Other subsidies	2,295	277
Audiovisual and cinema tax credit	11,423	20,110
Distribution costs and other purchases	-10,690	-15,877
Project development	-4,412	-3,526
Inventoried products	-8	-6
Subcontracting	-1,188	-971
Rentals and rental expenses	-5,108	-8,359
Outside personnel	-7,409	-6,160
Fees and compensation of intermediaries	-7,371	-6,310
Advertising, publications and public relations	-1,648	-1,982
Travel and entertainment expenses	-3,263	-3,774
Other external expenses	-3,182	-4,352
Taxes and similar payments	-2,225	-2,744
Foreign exchange gains and losses on operating activities	47	-12
Copyrights, royalties and similar	-8,994	-10,826
Shares of co-producers and guaranteed minima	-10,419	-13,169
Income from the sale of operating assets	-17	-6,555
Other income and expenses	-11,677	17,009
NET OTHER CURRENT OPERATING INCOME AND EXPENSES	**-58,269**	**-38,748**

Public grants

FINANCIAL SUPPORT FOR THE MOTION PICTURE INDUSTRY AND AUDIOVISUAL INDUSTRY

Films generate financial support on account of their commercial distribution in movie theaters, their broadcasting on television and their video distribution. The financial support for film production, distribution, exportation, and video publishing is recognized in tandem with the revenue of the films that generate the support. It is recognized under assets on the statement of financial position in “Other receivables”, offset by an operating income account.

The support fund invested in the production of new films is charged against “Other receivables.”

The support fund for the audiovisual program industry (COSIP) follows the same rule. Financial support for the production of audiovisual works is recognized as the series and dramas that generate the support are broadcast.

The automatic financial support includes k€4,119 of financial support for feature film production, distribution, and export and k€774 of support for audiovisual production. This item also includes k€684 of grants for digitization of works.

OTHER SUBSIDIES

Subsidies received, insofar as they are definitively vested, are recognized in income from the date of the first release in movie theaters of the relevant films, and, for television productions, from the date of delivery and acceptance of series and dramas by the principal television broadcaster.

AUDIOVISUAL AND CINEMA TAX CREDIT

The tax credit granted to production companies is recognized in the consolidated financial statements in current operating income. It is recognized in income, from the first screening of films in movie theaters or from the date of delivery and acceptance of the broadcasting material in the case of dramas and cartoons, on a *prorata* basis of the accumulated depreciation and amortization of the work which it helped finance. For work made for hire productions for which Gaumont does not record any assets, tax credits are recognized in income at the same pace as the recognition of eligible expenses.

In 2024, the item includes k€5,255 for film production and k€6,168 for French audiovisual production. The amount of tax credits recognized on a deferred basis is posted to liabilities in the statement of financial position.

Tax credits, like financial support and operating subsidies, are collected by Gaumont and its subsidiaries as part of their activity of producing and distributing works. Their amount varies based on the production number, the shooting location, and for the film production support fund, the success of movies in theaters.

Other current operating income and expenses

The operating expenses incurred by the investment properties over the period were k€506 and include costs for securing the premises, energy costs, taxes, and miscellaneous professional fees.

Operating expenses incurred during the period for right-of-use assets classified as investment properties are not material.

Leases have been analyzed with regard to IFRS 16. Expenses meeting the definition of leases were broken down on liabilities as lease liabilities subject to interest charges, and, on assets, as right of use subject to amortization. Residual expenses correspond to contracts excluded from the scope of the standard owing to their duration or the absence of a commitment towards the lessor, in particular in the case of productions.

Shares of co-producers and minimum guarantees represent amounts due to co-producers and other partners of a film or series. This item is dependent on the method of financing, and the success of the movies and series delivered during the year.

Other operating income and expenses include income from the activation of in-house production for which an asset is recognized, and production costs for work made for hire production. The balance of other operating income and expenses fluctuates significantly from one year to another, depending on the amount of investments in feature films and audiovisual work compared to work made for hire productions.

3.5 Other current operating income and expenses

	2024	2023
Proceeds from disposals of assets	-	1
Carrying amount of assets sold or disposed of	-	-1
Gains from disposals of investments in consolidated companies	-	-
Earn out adjustments	-	-
Impairment losses on goodwill	-	-
Gains on bargain purchases	-	283
TOTAL	**-**	**283**

3.6 Other financial income and expenses

	2024	2023
Income from investments	-	-
Interest expense capitalized	2,232	1,663
Interest from assets and liabilities excluding cash equivalents	25	1,093
Discounting effect of liabilities and receivables	-	-5
Proceeds from disposals of long-term financial assets	-	-
Accumulated impairment losses and financial provisions	-	-68
Foreign exchange gains and losses	196	-132
Changes in fair value	-175	-264
Other financial income and expenses	21	392
OTHER NET FINANCIAL INCOME/EXPENSES	**2,299**	**2,679**

Capitalized interest expenses concerning feature film and television series productions. They rise and fall in line with the productions each year.

The interest collected includes the financial component of the sales agreements with payment conditions over one year, that may vary depending on the amounts collected in the period.

4. Long-term assets and investments

4.1 Films and audiovisual rights

Principles of recognition of audiovisual rights

PRELIMINARY COSTS

Preliminary costs represent the expenses, such as searches for themes, talents and locations required to develop projects, incurred prior to the decision to make the film. These costs are recognized as an expense in the year in which they are incurred.

VALUATION OF FILMS AND AUDIOVISUAL RIGHTS

Films and audiovisual rights include:

- the production costs of works of which the Gaumont Group is executive producer, intended to be marketed in France or abroad through all audiovisual media;
- French or foreign co-production investments;
- the acquisition value of rights allowing distribution of an audiovisual work;
- the restoration and digitization costs incurred to enable long-term use of works.

The gross value reported as an asset in the financial position primarily includes:

- the production costs of feature films and television programs, net of contributions from co-producers, when the Group has been involved as executive and line producer;
- the amounts invested as lump-sum contributions, when the Group was involved in the production as co-producer;
- the amount of the non-refundable advances paid to the executive producer when the Group was involved as a distributor;
- the acquisition cost of rights when the Group was not involved in the production of the work.

Capitalized cost of works produced includes interest expenses incurred during the production period as well as a portion of overheads that are directly attributable to the production.

AMORTIZATION OF FILMS AND AUDIOVISUAL RIGHTS

Films and audiovisual rights are intangible assets with a fixed useful life. The future economic advantages that Gaumont obtains in consideration for the use of these assets largely depends on the success of these works with the public upon the first screening and the artistic characteristics of each work, essential to its commercial potential.

During the screening of films and audiovisual programs over time, the income received for license renewals and royalties indicate the public's continued interest or the progressive disinterest in the work and are directly representative of the expected future economic advantages of the asset.

The proceeds for a period being accordingly directly associated with the progressive consumption of economic advantages associated with these assets, Gaumont deems that the cost-unit amortization, based on the ratio of *net proceeds acquired in the year to total net proceeds*, is the most appropriate method, in accordance with professional practices and regulations in force.

In order to take into account the release of works and the erosion of the demand, total net proceeds include Gaumont's share of net proceeds received for the year and estimated net proceeds, over a maximum period of 10 years from release date. Management reviews the estimated net proceeds regularly and adjusts them, if need be, taking into account operating profits, new contracts signed or planned and the audiovisual environment at the reporting date. These adjustments may result in additional amortization to cover the insufficient revenue when the carrying amount of the asset exceeds the revised estimated net proceeds.

For feature films that experience great success with the public when they are released in movie theaters, Gaumont examines the artistic characteristics of the work in order to determine if the film is likely to produce future economic advantages beyond ten years. If applicable, a residual value is allocated to the film concerned. Pursuant to the provisions of IAS 36, the justification for the recoverability of this residual value is reviewed at each end of period.

IMPAIRMENT OF ASSETS

If there is an indication of impairment, the Group estimates the recoverable amount of the asset defined as the higher of the fair value, less cost of disposal, and the value in use. The value in use is determined by discounting the future cash flows expected from using the asset and from its sale.

In the event that the carrying amount of the asset exceeds its recoverable value, an impairment loss is recognized to bring the carrying amount down to the recoverable value. Impairment losses may be subsequently reversed up to the amount of the initial impairment loss where the net recoverable value becomes higher than the net carrying amount.

ONGOING PRODUCTIONS

Ongoing productions represent all direct costs and financial expenses incurred to produce a film or a series and include a share of overheads directly attributable to the production. Production costs are transferred from the “Ongoing productions” item to the final asset account once the production is complete and available for release.

An impairment loss may be recognized for ongoing productions where the budget initially provided for has significantly overrun or where, for films marketed between the end of period and the reporting date, the estimate of future proceeds is below the value of the investment.

OTHER RIGHTS

Musical rights are amortized by type:

- musical productions benefit from an exceptional depreciation regime, the duration of which varies according to the nature of the work: two years for variety, three years for classical music productions;
- music publishing rights acquired are amortized on a straight-line basis over five years.

Change in audiovisual rights

	12.31.24	MOVEMENTS OF THE PERIOD +	MOVEMENTS OF THE PERIOD -	MOVEMENTS OF THE PERIOD OTHER[1]	12.31.23
Films and cinema rights	2,129,843	15,466	-	18,902	2,095,475
Television series, dramas, and broadcasting rights	750,488	385	-	43,224	706,879
Animated films and series	317,891	-	-	6,993	310,898
Musical productions and publishing rights	2,942	-	-	-	2,942
Video games	1,525	-	-	-	1,525
Movies in production	26,245	16,873	-	-18,904	28,276
Television series and dramas in production	29,088	35,154	-17	-6,418	369
Animated films and series in production	8,743	8 743	-	-	-
Gross value	3,266,765	76,621	-17	43,797	3,146,364
Films and cinema rights	-2,081,503	-38,006	650	-	-2,044,147
Television series, dramas, and broadcasting rights	-750,286	-6,927	-	-36,728	-706,631
Animated films and series	-316,272	-230	-	-6,989	-309,053
Musical productions and publishing rights	-2,941	-	-	-	-2,941
Video games	-1,525	-	-	-	-1,525
Movies in production	-5,550	-3,850	3,000	-	-4,700
Television series and dramas in production	-326	-326	-	-	-
Animated films and series in production	-2,194	-2,194	-	-	-
Accumulated amortization and impairment losses	-3,160,597	-51,533	3,650	-43,717	-3,068,997
NET VALUE	**106,168**	**25,088**	**3,633**	**80**	**77,367**

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

Films released in movie theaters between the reporting date and approval by the board can be subject to impairment when the expected net proceeds are lower than investments. Impairment losses are reversed when the film is released and the corresponding amount is included in the amortization for the year.

At the end of the period, the values of feature films in progress and feature films completed but not yet released in movie theaters were estimated by Management. Any negative margins resulting from this approach gave rise to impairment.

All of these impairment tests resulted in a total impairment of k€7,500.

Other changes include k€43,797 in foreign exchange gains and losses on the gross values of American and British series and k€43,717 on the amortization of these series.

Commitments related to the production and distribution of audiovisual works

	12.31.24	12.31.23
Commitments given	73,988	63,527
Development and production of films and series	66,756	32,487
Fulfilment of order contract	7,232	31,040
Guarantees given for film and series productions	-	-
Commitments received	86,749	81,608
Purchases of rights and financing of projects and productions	78,337	48,288
Fulfilment of order contract	8,412	33,320

As of December 31, 2024, Gaumont and its subsidiaries had committed to invest k€73,988 in film and series production and project development. At the same time, the Group had received commitments for the purchase of rights and contributions by co-producers for films and series totaling k€86,749, in addition to the amounts reported in receivables. The revenue backlog from contracts with customers is presented below.

	MATURITY			
	2025	2026	2027 AND BEYOND	TOTAL
French movie production and distribution	33,454	8,827	7,065	49,346
Audiovisual production and distribution	23,406	-	-	23,406
Line production	8,412	-	-	8,412
TOTAL	**65,272**	**8,827**	**7,065**	**81,164**

For license sales, expiration date corresponds to the rights opening date. For line production recognized upon completion, it is representative of the expected production schedule.

4.2 Other intangible assets

		MOVEMENTS OF THE PERIOD			
	12.31.24	+	-	OTHER[1]	12.31.23
Franchises, patents, licenses, brands and software	5,446	468	-	2,022	2,956
Other intangible assets	-	-	-	-	-
Other intangible assets in progress	428	758	-	-2,051	1,721
Advances and prepayments to suppliers	-	-	-	-	-
Gross value	5,874	1,226	-	-29	4,677
Franchises, patents, licenses, brands and software	-2,920	-394	-	-	-2,526
Other intangible assets	-	-	-	-	-
Accumulated amortization and impairment losses	-2,920	-394	-	-	-2,526
NET VALUE	**2,954**	**832**	**-**	**-29**	**2,151**

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

Other intangible assets primarily consist of software, amortized over the duration of the license.

4.3 Property, plant and equipment

Principles and methods of measurement of property, plant, and equipment

MEASUREMENT OF PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment include all identifiable physical assets controlled by Gaumont that generate future economic benefits. Property, plant, and equipment are recorded as assets in the financial position starting from the date Gaumont acquires control and is assured that it will receive virtually all of the future economic benefits that it could generate.

The gross value of property, plant and equipment consists of purchase price net of potential discounts, and includes all incidental expenses related to the acquisition and all costs directly related to startup.

As an exception, in 2004 and as part of the first application of IFRS, the Group opted to measure certain land and buildings located in the 8th Arrondissement of Paris and in Neuilly-sur-Seine at their fair value.

The borrowing costs incurred to purchase, build, or manufacture eligible property, plant or equipment are included in the gross value of the assets until the asset's startup date.

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment are amortized over their useful life. When property, plant or equipment has distinct components with their own use, each element is recognized separately and amortized over its own useful life.

The depreciable amount includes the acquisition cost less any potential residual value allocated to each asset. Residual value is allocated to assets when Gaumont intends to sell the asset concerned after its useful life and the asset has a measurable market value. Residual value comprises the resale value net of selling costs.

Amortization methods and periods generally used for property, plant and equipment are as follows:

FIXED ASSETS	COMPONENT	DEPRECIATION AND AMORTIZATION METHOD	DEPRECIATION AND AMORTIZATION PERIOD
Property	Structural works	Straight-line	40 years
Property	Facade	Straight-line	30 years
Property	Roofing and exterior fixtures and fittings	Straight-line	20 to 25 years
Property	Plant and equipment	Straight-line	10 to 15 years
Property	Interior fixtures and fittings	Straight-line	5 to 10 years
Movable property	Passenger vehicles	Straight-line	4 years
Movable property	Furniture and equipment	Straight-line	3 to 5 years

A different method and depreciation and amortization period may be used for certain assets depending on the actual consumption of related economic benefits.

Items purchased for a fee and added to the Collection Gaumont inventory are recorded under Gaumont assets when their acquisition cost is individually significant. They are considered collection pieces with an indefinite useful life and are not amortized.

When the use of property, plant or equipment changes, the depreciation and amortization method may change if the prior amortization schedule no longer suits the new consumption method for the asset's expected economic benefits. Revisions to the depreciation and amortization schedule are prospective and calculated based on the asset's net carrying amount at the beginning of the period.

RIGHT-OF-USE ASSETS ARISING FROM LEASED PROPERTIES

Whenever a rental agreement affects an identifiable asset and Gaumont has the right to obtain future economic benefits and to control its use, the agreement is covered by IFRS 16. The right of use related to this rental contract results in the recognition of an asset representing the right for the lessee to use the underlying property for the duration defined in the agreement.

After the non-cancelable period, the assessment of the duration of the rental must take into account the optional periods in which one can reasonably estimate that they will extend the duration of the lease. In the event of a change in circumstances affecting the reasonable certainty of exercising an option not taken into account when the duration of the rental was determined, the amount of the right of use must be revised.

On the lease start date, the right of use is measured at its cost and includes:

- the initial value of the lease liability corresponding to the discounted value of the remaining payments owed to the lessor as outlined in note 6.2.;
- payments made to or received by the lessor before the start of the contract;
- initial costs corresponding to marginal costs not incurred if the lease had not been concluded;
- an estimate of the costs that will have to be paid at the end of the contract.

Gaumont has decided to use the simplification measures called for by the standard and not to restate any leases for which the underlying asset has a value in use below k$5 or those of which the reasonably certain duration is less than twelve months.

DEPRECIATION AND AMORTIZATION OF RIGHT-OF-USE ASSETS ARISING FROM LEASED PROPERTIES

Depreciation and amortization are calculated over the expected useful life, using a method consistent with the one applied to the Group's wholly owned assets. This useful life corresponds to the shortest duration between the remaining period of use of the underlying property and the remaining period of the lease. The amortization method must reflect the pace of use of the future economic benefits of the asset.

IMPAIRMENT OF ASSETS

If there is an indication of impairment, the Group estimates the recoverable amount of the asset defined as the higher of the fair value, less cost of disposal, and the value in use. The value in use is determined by discounting the future cash flows expected from using the asset and from its sale.

In the event that the carrying amount of the asset exceeds its recoverable value, an impairment loss is recognized to bring the carrying amount down to the recoverable value. Impairment losses may be subsequently reversed up to the amount of the initial impairment loss where the net recoverable value becomes higher than the net carrying amount.

INVESTMENT PROPERTIES

Buildings owned or held under leases and leased to third parties not exercising an activity in keeping with those of Gaumont and its subsidiaries are qualified as investment properties.

IAS 40 – Investment Property applies both to owned property and right-of-use assets, provided these are leased to third parties and generate cash flows largely independently of the other assets. The standard also applies to vacant property held to be leased.

In application of the options offered by IAS 40, the method used for the measurement of the investment properties is the cost model. The provisions of IAS 16 are thus applicable to investment properties and the depreciation and amortization methods used for the investment properties are identical to those used for properties actually occupied.

Except in rare cases rendering this measurement impossible, the fair value of the investment properties is subject to a periodic assessment by an independent surveyor exercising his activity in the geographic area in which the building is located.

Change in property, plant and equipment

		MOVEMENTS OF THE PERIOD			
	12.31.24	+	-	OTHER(1)	12.31.23
Land	9,813	-	-	-	9,813
Buildings and fittings	27,089	1,006	-	81	26,002
Plant, equipment, and machinery	1,521	-	-	-	1,521
Other property, plant, and equipment	11,262	832	-20	129	10,321
Investment properties	56,576	1,756	-	-	54,820
Right-of-use assets classified as investment properties	3,780	-	-	226	3,554
Right-of-use assets arising from leased properties	17,888	1,460	-	627	15,801
Property, plant, and equipment in progress	55	-8	-	-36	99
Gross value	127,984	5,046	-20	1,027	121,931
Land	-	-	-	-	-
Buildings and fittings	-19,859	-532	56	-171	-19,212
Plant, equipment, and machinery	-1,399	-27	-	-	-1,372
Other property, plant, and equipment	-8,894	-950	20	52	-8,016
Investment properties	-13,866	-1,556	-	-	-12,310
Right-of-use assets classified as investment properties	-3,780	-	-	-226	-3,554
Right-of-use assets arising from leased properties	-12,599	-1,840	-	-380	-10,379
Accumulated amortization and impairment losses	-60,397	-4,905	76	-725	-54,843
NET VALUE	**67,587**	**141**	**56**	**302**	**67,088**

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

The fair value of investment properties amounted to k€176,400 at December 31, 2024.

The fair value of investment properties measured in accordance with IFRS 16 is deemed to be equivalent to the carrying amount of the right-of-use asset.

Rental income and operating expenses related to right of use assets classified as investment properties are presented respectively in notes 3.2. and 3.4.

Real estate commitments

	12.31.24	12.31.23
Commitments given	-	-
Guarantees	-	-
Real estate investments	-	-
Commitments received	58,222	54,182
Guarantees received	1,867	1,867
Real estate rental contracts	56,355	52,315

As of December 31, 2024, Gaumont benefited from lease commitments under leases agreed totaling k€56 355.

4.4 Other financial assets

Measurement of long-term financial assets

INVESTMENTS IN NON-CONSOLIDATED COMPANIES

Investments in non-consolidated companies represent the Group's interest in the share capital of non-consolidated companies.

Investments are analyzed as being available for sale and are therefore recognized at their fair value. For listed securities, this fair value corresponds to the stock market price. If the fair value cannot be reliably determined, the securities are recognized at historical purchase cost. Changes in fair value are recognized directly in equity.

If there is an objective indication that a financial asset may be impaired, and in particular if there is a significant or permanent decrease in the asset's value, an impairment loss is recognized in the income statement. This loss will be reversed in the income statement only when the securities are sold.

LOANS TO ASSOCIATES, OTHER LOANS, DEPOSITS AND GUARANTEES

These financial assets are measured at amortized cost. Their carrying amount in the statement of financial position includes the outstanding share capital and the unamortized share of purchase costs.

An impairment loss may be recognized if there is an objective indication of negative value change. The impairment representing the difference between the net carrying amount and recoverable value is recognized as an expense and is reversible when there is an improvement in recoverable value.

Change in long-term financial assets

		MOVEMENTS OF THE PERIOD			
	12.31.24	+	-	OTHER(1)	12.31.23
Investments in non-consolidated entities	3	-	-	-	3
Loans, deposits and bonds and other long-term financial assets	126	68	-12	1	69
Receivables and other non-current financial assets	-	-	-	-	-
Gross value	129	68	-12	1	72
Investments in non-consolidated entities	-	-	-	-	-
Loans, deposits and bonds and other long-term financial assets	-	-	-	-	-
Receivables and other non-current financial assets	-	-	-	-	-
Impairment losses	-	-	-	-	-
NET VALUE	**129**	**68**	**-12**	**1**	**72**

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

Uninvested cash assigned to the Group's liquidity contract is unavailable and is therefore reported under other long-term financial assets.

The investments in non-consolidated entities are not material in relation to the Group's assets, financial position and results. They consist of companies where the Group has less than a 10% stake.

4.5 Impact of investments on the statement of cash flows

Analysis of net allowance to depreciation, amortization, impairment, and provisions of non-current assets

	2024	2023
Intangible assets		
• Reversals of impairment losses	3,650	2,500
• Allowances for depreciation, amortization and impairments	-51,927	-77,333
Subtotal	-48,277	-74,833
Property, plant and equipment		
• Reversals of impairment losses	56	89
• Allowances for depreciation, amortization and impairments	-4,905	-5,037
Subtotal	-4,849	-4,948
Current assets		
• Reversals of impairment losses	2,255	715
• Impairment allowances	-1,802	-1,945
Subtotal	453	-1,230
Risks and rewards		
• Reversals of provisions	102	310
• Provision allowances	-292	-91
Subtotal	-190	219
TOTAL	**-52,863**	**-80,792**

Acquisitions of assets, excluding shares in consolidated companies

	2024	2023
Acquisition of intangible assets	77,847	60,624
Acquisition of property, plant, and equipment	3,586	1,742
Acquisition of long-term financial assets	68	28
TOTAL	**81,501**	**62,394**

Impact of changes in scope

	2024	2023
Price paid	-	3,106
Cash acquired	-	-112
IMPACT OF CHANGES IN SCOPE	**-**	**2,994**

Change in liabilities and receivables on investments

	12.31.24	CHANGE IN LIABILITIES ON INVESTMENTS	OTHER CHANGES(1)	12.31.23	CHANGE IN LIABILITIES ON INVESTMENTS	OTHER CHANGES(1)	12.31.22
Fixed assets liabilities	4,029	-2,385	168	6,246	-1,357	-172	7,775
Liabilities on acquisition of shares	-	-	-	-	-	-	-
Receivables on acquisition and disposal of equity investments	-	-	-	-	-	-	-
TOTAL	**4,029**	**-2,385**	**168**	**6,246**	**-1,357**	**-172**	**7,775**

(1) Changes in scope, fluctuations in foreign exchange rates and transfers between items.

5. Current assets and liabilities

5.1 Inventories

Inventories are assessed at the lower of the purchase cost of the inventory or the net recoverable value.
An impairment loss is recognized if the market value becomes less than the carrying amount.

		MOVEMENTS OF THE PERIOD		
	12.31.24	+	-	12.31.23
Semi-manufactured product inventories	42	-	-11	53
Merchandise inventories	683	25	-	658
Gross value	725	25	-11	711
Semi-manufactured product inventories	-16	-16	20	-20
Merchandise inventories	-415	-415	404	-404
Impairment losses	-431	-431	424	-424
NET VALUE	**294**	**-406**	**413**	**287**

5.2 Trade receivables and other current assets

Measurement of receivables and other current assets

Receivables are recognized at amortized cost. Their value in the financial position corresponds to their par value, after deducting accumulated impairment losses on the non-recoverable amounts.

According to IFRS 9, the estimate of irrecoverable amount is carried out by category of receivables regarding the historical risk associated to each category. The irrecoverable part of receivables is subject to an impairment.

According to IFRS 15, contract assets represent the consideration expected by Gaumont in exchange for services rendered, for which payment is not yet due and is contingent on special conditions other than the payment terms alone. When payment is conditional only on the passage of time, the expected consideration is recognized as a receivable.

	12.31.24	12.31.23
Trade receivables	49,141	64,635
Contract assets	686	3,122
Current financial assets	685	593
Advances and prepayments to suppliers	174	512
Payroll receivables	197	64
Tax receivables	9,360	7,666
Subsidies receivables	17,629	25,273
Current income tax assets	12,851	19,752
Current accounts	-	-
Receivables on asset sales	-	-
Other receivables	3,903	7,021
Derivatives	-	586
Prepaid expenses	1,725	1,774
Gross value	96,351	130,998
Trade receivables	-276	-514
Current financial assets	-71	-
Current accounts	-	-
other receivables	-1,648	-1,940
Impairment losses	-1,995	-2,454
NET VALUE	**94,356**	**128,544**
Maturities:		
• Less than 1 year	86,264	125,444
• 1 to 5 years	8,092	3,100
• More than 5 years	-	-

Outstanding trade receivables mainly consist of the portion of outstanding receivables related to pre-sales and sales of works distributed at the end of the period. The level of receivables is strongly impacted by the number and schedule for series deliveries and movie releases.

With regard to sales of licenses and broadcasting rights, customers are traditionally institutional customers presenting a low credit risk. Contracts have also traditionally included payment terms that limit the risk of default.

Contract assets mainly include receivables for the *Anywhere* production. Changes in contract assets are presented in note 5.4.

As of December 31, 2024, tax receivables mainly refer to VAT receivables.

Change in accumulated impairment losses

		MOVEMENTS OF THE PERIOD			
	12.31.24	+	-	OTHER[(1)]	12.31.23
Trade receivables	-276	-4	243	-1	-514
Current financial assets	-71	-	-	-71	-
Current accounts	-	-	-	-	-
Other receivables	-1,648	-1,367	1,588	71	-1,940
DEPRECIATIONS	**-1,995**	**-1,371**	**1,831**	**-1**	**-2,454**
Impact on current operating income		-1,371	1,831	-	
Impact on non-current operating income		-	-	-	
Impact on financial income		-	-	-	

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

5.3 Trade payables and other liabilities

	12.31.24	12.31.23
Tax liabilities	-	-
Current accounts	-	-
Payables on acquisitions	-	-
Other payables	-	-
Total other non-current liabilities	-	-
Trade payables	5,516	13,102
Liabilities on films and audiovisual rights	3,798	6,144
Advances and deposits received	1,191	537
Payroll liabilities	5,368	5,776
Tax liabilities	5,294	4,508
Current income tax liabilities	-	-
Current accounts	-	-
Payables on acquisitions	-	-
Liabilities on other property, plant and equipment and intangible assets	231	102
Payables on distribution of works	32,845	31,548
Other payables	13,824	11,210
Derivatives	58	-
Contract liabilities	55,694	34,164
Tax credit to be amortized	13,544	11,558
Deferred public grants	242	515
Deferred income	2,734	4,537
Total other current liabilities	140,339	123,701
TOTAL	**140,339**	**123,701**
Maturities:		
• Less than 1 year	135,689	116,331
• 1 to 5 years	4,452	7,169
• More than 5 years	198	201

Trade payables include payables relating to film distribution campaigns. They are closely linked to the movie theater release schedule.

Production payables are closely linked to the production and delivery schedules of the works.

According to IFRS 15, contract liabilities represent the consideration that Gaumont receives from contracts with customers for which performance obligations are unsatisfied at the end of the period. Contract liabilities include pre-sales received as production progresses, in the case of the financing of audiovisual productions, and pre-sales on feature films for which the rights are not yet available due to the media release schedule.

Future revenues from contracts with customers will be recognized according to the following schedule.

	MATURITY			
	2025	2026	2027 AND BEYOND	TOTAL
Movie production and distribution	25,152	4,016	350	29,518
Audiovisual production and distribution	21,644	73	-	21,717
Line production	4,459	-	-	4,459
TOTAL	**51,255**	**4,089**	**350**	**55,694**

Maturities are representative of the vesting of distribution rights periods or, in the case of line production recognized upon completion, of the expected production schedule.

5.4 Changes in contract assets and liabilities

Details of changes in contract assets and liabilities are presented in the table below.

	12.31.24		12.31.23	
	CONTRACT ASSETS	CONTRACT LIABILITIES	CONTRACT ASSETS	CONTRACT LIABILITIES
POSITION AT BEGINNING OF YEAR	**3,122**	**34,164**	**3,824**	**40,855**
Income recognized for the year included in contract liabilities at the beginning of the year	-144	-22,392	-	-25,424
Cash from unrecognized income for the year	-	41,342	145	20,592
Contract progress or alteration	-2,292	2,464	-847	-1,719
Currency translation adjustments	-	116	-	-140
POSITION AT END OF YEAR	**686**	**55,694**	**3,122**	**34,164**

5.5 Changes in net working capital requirement

	2024	2023
Change in operating assets	34,112	36,345
Change in operating liabilities	17,953	-33,285
Premiums paid on financial instruments	-	-
Current income tax expense	-26	-104
Tax paid	-20,357	-13,401
Pension and similar benefits allowance	-534	151
TOTAL	**31,148**	**-10,294**

The table below details the change in operating assets constituting the working capital requirement net of impairment (impairment losses on items constituting the working capital requirement are deemed to be disbursable).

	12.31.24	CHANGE IN WCR	OTHER CHANGES[(1)]	12.31.23	CHANGE IN WCR	OTHER CHANGES[(1)]	12.31.22
Inventories	294	7	-	287	-122	-	409
Trade receivables and contract assets	49,551	-18,096	404	67,243	-34,179	-736	102,158
Current long-term financial assets	614	93	-72	593	-2,406	7	2,992
Advances and prepayments to suppliers	174	-338	-	512	-159	-	671
Payroll receivables	197	133	-	64	-60	-2	126
Tax receivables	9,360	1,661	33	7,666	-5,500	65	13,101
Subsidies receivables	17,629	-7,644	1,221	24,052	-723	-	24,775
Current income tax assets	12,851	-6,963	62	19 752	6,655	-37	13 134
Current accounts	-	-	-	-	-	-	-
Other receivables	2,255	-2,899	-1,148	6,302	-623	-72	6,997
Prepaid expenses	1,725	-66	17	1 774	772	-5	1,007
ASSETS CONSTITUTING THE WORKING CAPITAL REQUIREMENT	**94,650**	**-34,112**	**517**	**128,245**	**-36,345**	**-780**	**165,370**

(1) Changes in scope, fluctuations in foreign exchange rates and transfers between items.

A decrease in receivables is reflected in the cash position by a collection. As a result, the negative change above is represented as an inflow in the statement of cash flows.

An increase in receivables is reflected in the cash position by a non-collection. As a result, the positive change above is represented as an outflow in the statement of cash flows.

The table below sets out the change in operating liabilities constituting the working capital requirement.

	12.31.24	CHANGE IN WCR	OTHER CHANGES[(1)]	12.31.23	CHANGE IN WCR	OTHER CHANGES[(1)]	12.31.22
Trade payables	5,516	-7,634	48	13,102	-2,021	85	15,038
Advances and deposits received	1,191	654	-	537	-16	-	553
Payroll liabilities	5,368	-436	28	5,776	390	-8	5,394
Tax liabilities	5,294	768	18	4,508	-1,724	4	6,228
Current income tax liabilities	-	-	-	-	-	-	-
Current accounts	-	-	-	-	-	-	-
Other payables	46,669	3 291	620	42,758	-21,679	-4,062	68,499
Deferred income and contract liabilities	72,214	21,310	130	50,774	-8,235	-141	59,150
LIABILITIES THAT CONSTITUTE THE WORKING CAPITAL REQUIREMENT	**136,252**	**17,953**	**844**	**117,455**	**-33,285**	**-4,122**	**154,862**

(1) Changes in scope, fluctuations in foreign exchange rates and transfers between items.

6. Financing

6.1 Equity

Share capital of the parent company

	12.31.24	MOVEMENTS OF THE PERIOD +	MOVEMENTS OF THE PERIOD -	12.31.23
Number of shares	3,119,923	-	-	3,119,923
Par value	€8			€8
CAPITAL *(IN EUROS)*	**24,959,384**	**-**	**-**	**24,959,384**

Average number of shares outstanding

In accordance with IAS 33, the base result of earnings per share is determined by dividing the income attributable to shareholders of the parent company by the weighted average number of shares outstanding over the reporting period, as follows:

	2024	2023
Number of shares on January 1	3,119,876	3,119,876
Share capital increases relating to the exercise of stock options (*prorata temporis*)	-	-
Average number of ordinary shares	3,119,876	3,119,876

Treasury shares

Purchases of treasury shares are recognized as a deduction from equity at their acquisition cost.

When treasury shares are sold, any resulting gains or losses are recognized in the consolidated retained earnings, net of tax.

At December 31, 2024, Gaumont held 4,649 treasury shares traded under the liquidity contract and 200 registered shares for a total purchase value of k€257.

Dividends

No dividend was paid by Gaumont SA during the last two fiscal years.

Stock options

Stock options were awarded to some executive officers and employees of the Group, except for the Chairman of the Board of directors. These options give rise, when being exercised, to new shares being issued by a capital increase.

All these plans are equity-settled.

In accordance with the provisions of IFRS 2, the fair value of the options is valued on the grant date, using the Black & Scholes mathematical model as a basis. Fair value is reported as personnel expenses on a straight-line basis over the vesting period and recognized in exchange for equity. In the last two years, no expenses have been recognized in respect of stock option plans, the vesting period for rights being complete for all plans since February 28, 2009.

No new stock option plans were established in the financial year.

Outstanding option plans as per December 31, 2024, are detailed below:

	INITIAL GRANT		ADJUSTED GRANT		OPTIONS AT END OF PERIOD			
PLAN	PRICE	NUMBER	PRICE	NUMBER	CANCELED	SUBSCRIBED	OUTSTANDING	EXERCISABLE
Plan V (February 1996)	€50.31	104,000	€43.77	119,683	47,184	71,347	1,152	1,152
Plan VI (March 1998)	€64.03	168,000	€55.70	193,341	100,164	90,873	2,304	2,304
Plan VIII (February 2005)	€64.00	196,750	€55.79	226,534	103,943	101,896	20,695	20,695
TOTAL		**468,750**		**539,558**	**251,291**	**264,116**	**24,151**	**24,151**

In 2024, no dividend was paid out of the reserves and no options were exercised involving a change in the value of the options.

		EXERCISE PERIOD			MOVEMENTS OF THE PERIOD				
PLAN	GRANT DATE	START	END	12.31.24	ADJUSTED	GRANTED	CANCELED	SUBSCRIBED	12.31.23
Plan V	02.15.96	02.15.01	02.14.46	1,152	-	-	-	-	1,152
Plan VI	03.12.98	03.12.03	03.11.48	2,304	-	-	-	-	2,304
Plan VIII	02.28.05	02.28.09	02.27.49	20,695	-	-	-	-	20,695
TOTAL				**24,151**	**-**	**-**	**-**	**-**	**24,151**

Potential capital

Diluted earnings per share are calculated by dividing net income attributable to shareholders of the parent company by the weighted average number of ordinary shares, adjusted for the dilutive effect of stock options.

In the case of stock options, the difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at the average market price is treated as an issue of ordinary shares with a dilutive effect. Options and share warrants have a dilutive effect when their exercise would incur the issue of ordinary shares at a price below the average market price for ordinary shares during the year. Options and share warrants only have a dilutive effect when the average market price of ordinary shares during the year exceeds the strike price of the options or share warrants.

If a loss is made during the period, diluted earnings per share are calculated by dividing the net income attributable to the shareholders of the parent company by the number of shares at end of period, taking into account the accretive effect of exercising stock options.

	2024	2023
Average number of ordinary shares	3,119,876	3,119,876
Dilutive effect of stock options	9,536	10,661
Average potential number of ordinary shares	3,129,412	3,130,537

6.2 Net borrowings

Principles of measurement of borrowings

LOANS AND BORROWINGS

Loans and other borrowings are measured at amortized cost based on the effective interest rate of the transaction, including the cost of the loan issue fees.

SOFICAS

The rights to a share of proceeds of Soficas guaranteed by Gaumont are measured at amortized cost and recorded for their nominal value in the liabilities of the statement of financial position. The payback of the share of proceeds to which Soficas are entitled is directly recognized as an offset to these liabilities.

LEASE LIABILITIES

The rental obligation related to the useful right of an asset is stated in borrowings as of the start date of the lease. This liability is evaluated based on the discounted value of the remaining payments owed to the lessor. The discount rate corresponds to the implicit rate of the lease or, if it cannot be easily identified, to the marginal debt rate of the lessee company of the Group.

The marginal debt rate corresponds to the rate at which the Group should borrow over a duration equivalent to the duration of the lease and with the same guarantees, the sum necessary to obtain an asset of the same value as the cost of the right of use in a similar economic environment.

Change in borrowings

		MOVEMENTS OF THE PERIOD WITH AN IMPACT ON THE CASH POSITION			MOVEMENTS OF THE PERIOD WITHOUT AN IMPACT ON THE CASH POSITION		
	12.31.24	+	-	OTHER[1]	CURRENCY TRANSLATION ADJUSTMENTS	OTHER[2]	12.31.23
Refinancing loan	4,551	-	-	-	-	-8,928	13,479
Bonds	-	-	-	-	-	-	-
Production loans[3]	-	-	-	-	-	-	-
Assignment of receivables	-	-	-	-	-7	200	-193
State-guaranteed loan	12,500	-	-	-	-	-6,240	18,740
Financial contribution from the Caisse des dépôts	1,898	-	-	-	-	-497	2,395
Other loans and borrowings	330	193	-	-	2	-13	148
Non-current debt	19,279	193	-	-	-5	-15,478	34,569
Refinancing loan	8,927	-	-9,375	-	-	9,376	8,926
Bonds	-	-	-15,000	-	-	13	14,987
Production loans(3)	-	-	-	-	-	-	-
Assignment of receivables	-60	-	-	-	-	-60	-
State-guaranteed loan	6,241	-	-6,250	-	-	6,250	6,241
Financial contribution from the Caisse des dépôts	497	-	-497	-	-	497	497
Other loans and borrowings	537	-	-331	-	-	13	855
Bank overdraft	58	22	-	-	3	-	33
Accrued interest	140	-	-	-	-	-149	289
Current debt	16,340	22	-31,453	-	3	15,940	31,828
Lease liabilities – non-current	3,418	-	-	-	178	-617	3,857
Lease liabilities – current	1,833	-	-1,894	-	72	2,078	1,577
Lease liabilities	5,251	-	-1,894	-	250	1,461	5,434
FINANCIAL LIABILITIES AND LEASE LIABILITIES	**40,870**	**215**	**-33,347**	**-**	**248**	**1,923**	**71,831**

(1) *Loan fees paid.*
(2) *Depreciation and amortization of loan issue costs, new lease liabilities, reclassifications and change in accrued interest.*
(3) *Production loans are presented according to their contractual maturity. However, as the repayment is made by deduction from the proceeds and pre-financing amount for the series in question, some of the repayments are made in advance of this overall maturity.*

REPAYMENT SCHEDULE

		MATURITY		
	12.31.24	LESS THAN 1 YEAR	1 TO 5 YEARS	5 TO 5 YEARS
Refinancing loan	13,478	8,927	4,551	-
Bonds	-	-	-	-
Production loans	-	-	-	-
Assignment of receivables	-60	-60	-	-
State-guaranteed loan	18,741	6,241	12,500	-
Financial contribution from the Caisse des dépôts	2,395	497	1,898	-
Other loans and borrowings	867	537	96	234
Lease and finance lease liabilities	5,251	1,833	3,418	-
TOTAL(1)	**40,672**	**17,975**	**22,463**	**234**

(1) Excluding accrued interest and bank overdraft.

Production loans are reported according to their contractual maturity. However, since they are repaid via pre-financing contracts and proceeds from the series, part of the loans will be repaid early from this consolidated maturity.

BREAKDOWN OF LIABILITIES BY GEOGRAPHIC AREA

	12.31.24	FRANCE	EUROPE	AMERICA
Refinancing loan	13,478	13,478	-	-
Bonds	-	-	-	-
Production loans	-	-	-	-
Assignment of receivables	-60	-	-	-60
State-guaranteed loan	18,741	18,741	-	-
Financial contribution from the Caisse des dépôts	2,395	2,395	-	-
Other loans and borrowings	867	822	-	45
Lease and finance lease liabilities	5,251	600	1,445	3,206
TOTAL(1)	**40,672**	**36,036**	**1,445**	**3,191**

(1) Excluding accrued interest and bank overdraft.

BONDS

Gaumont issued a bond on November 14, and December 22, 2014, in the form of a listed Euro private placement (EuroPP) for a total amount of k€60,000. This loan has two separate tranches. The first tranche was repaid in 2021 and the second tranche for an amount of k€15,000 was repaid in November 2024.

LOAN AGREEMENT

On May 31, 2021, Gaumont entered into a five-year loan with a banking pool consisting of BNP Paribas, Banque Palatine, Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Île-de-France, and Banque Neuflize OBC, including a revolving credit line and a refinancing loan.

The revolving credit facility, intended to finance general needs, has the following characteristics:

- the maximum amount of the loan drawdown is k€62,500;
- the interest rate is variable and Euribor-based.

The refinancing loan, intended to refinance the first tranche of the bond matured at the end of 2021, has the following characteristics:

- the loan amount is k€37,500;
- the interest rate is variable and Euribor-based.

They are accompanied by covenants that must be complied with half-yearly, presented in note 7.1.

The pledge of several titles in the catalog for the benefit of the banking pool is a condition for the drawdown of these loans.

Effective interest rate

At December 31, the effective interest rate of the outstanding borrowing was as follows:

	12.31.24	12.31.23
Before hedging instruments	10.95%	9.34%
After hedging instruments	8.96%	8.43%

Average interest rate

The changes in the refinancing loan average interest rate are presented below:

	2024	2023
Before hedging instruments	5.39%	4.71%
After hedging instruments	3.30%	3.29%

STATE-GUARANTEED LOAN

On May 31, 2021, Gaumont also signed a State-guaranteed loan for k€25,000 for a term of one year with the possibility of extension of up to five years with the same banking pool. The loan remuneration is equal to zero the first year and is based on the Euribor in the event of extension. Loan fees have been included in the cost of debt using the effective interest rate method and will be amortized over the expected life of the loan. The State-guaranteed loan has been extended until 2027, and its repayment is staggered from 2024.

Effective interest rate

At December 31, the effective interest rate of the outstanding borrowing was as follows:

	12.31.24	12.31.23
Before hedging instruments	6.49%	4.86%
After hedging instruments	5.69%	4.76%

Average interest rate

The changes in the loan average interest rate are presented below:

	2024	2023
Before hedging instruments	4.48%	3.82%
After hedging instruments	3.14%	3.09%

PRODUCTION LOANS

Production loans are self-liquidating loans used to finance the production of American and European television series.

No new production loans were taken out in 2024 in the United States and Europe.

ASSIGNMENT OF RECEIVABLES

In the United States, Gaumont signed a receivables assignment agreement on June 2, 2020, for a maximum authorized amount of k$50,000. The agreement expires on June 2, 2025, and replaces the previous agreement for the same amount.

The key features of this receivables' assignment agreement are as follow:

- the assigned receivables are the series' operating receivables, with the exception of receivables pledged to production loans;
- the compensation is variable and based on the LIBOR.

The detail of this credit facility is presented below:

(in thousands of US dollars)	STATUS OF ASSIGNED RECEIVABLES				DEBT SITUATION			
ACTIVITY	VALUE OF ASSIGNED CONTRACTS	BALANCE OF ASSIGNED RECEIVABLES	BALANCE SHEET AMOUNT	OFF-BALANCE SHEET LIABILITIES	AUTHORIZED MAXIMUM AMOUNT	REMAINING AMOUNT AVAILABLE	POSITION AT 31.12.24	POSITION AT 12.31.23
American television programs	1,150	156	156	-	50,000	3,564	-	-
TOTAL	**1,150**	**156**	**156**	**-**	**50 000**	**3,564**	**-**	**-**

As of December 31, 2024, no drawdowns had been made and the amount of the available drawdown amounted to k$3,564.

Since all the risks associated with assigned receivables remain with the Group, the receivables are kept on as assets on the statement of financial position or included as off-balance sheet commitments.

FINANCIAL CONTRIBUTION FROM THE CAISSE DES DÉPÔTS ET CONSIGNATIONS FOR THE RESTORATION AND DIGITIZATION OF THE CATALOG

On July 6, 2012, Gaumont signed a financial contribution agreement with Caisse des dépôts et consignations to restore and digitize catalog films. This financial contribution is repayable when receipts are earned on the restored films over a maximum 15-year period and is guaranteed by the pledge of the assets concerned, as detailed further below.

As of December 31, 2024, the restoration program is completed. The outstanding debt to *Caisse des dépôts et consignations* stands at k€2,395.

Cash and cash equivalents

Cash and cash equivalents include liquidity held in bank current accounts and investments in money market instruments that may be liquidated or sold in the very short term, in view of management intentions, and do not entail a significant risk of loss in value in the event of interest rate changes.

These financial instruments are measured at their fair value through profit and loss.

	12.31.24	12.31.23
Cash equivalents	54,179	63,159
Bank accounts and petty cash	33,641	43,749
TOTAL	**87,820**	**106,908**

As of December 31, 2024, cash equivalents include term deposits for an amount of k€54 179 which may be withdrawn in part or in full, early and without penalty on the capital deposited.

Cash management is centralized for French entities and is managed manually in accordance with cash management agreements.

Financing commitments

	12.31.24	12.31.23
Commitments given	9,839	11,376
Assignment of receivables as loan security	-	-
Pledging of assets	9,839	11,376
Commitments received	65,931	67,024
Unused credit facility	65,931	67,024

Unused credit facilities consist of:

- k$3,564 for the receivables' assignment agreement entered into by Gaumont USA Inc.;
- k€62,500 for the revolving credit line included in the loan agreement.

Pledging of assets

In guarantee of the financial contribution from the *Caisse des dépôts et consignations* for the digitization of films from its catalog, Gaumont pledged the works restored with the help of this funding. As of December 31, 2024, they had a net value of k€3,028.

As collateral for the loan agreement, Gaumont pledged 34 works for a total net value of k€6 092.

At December 31, 2024, the pledges made by Gaumont had a total net carrying amount of k€9,839.

TYPE OF PLEDGES/MORTGAGES	12.31.24	12.31.23
On intangible assets	9,839	11,376
On property, plant, and equipment	-	-
On long-term financial assets	-	-
On receivables	-	-
On cash accounts	-	-
TOTAL	**9,839**	**11,376**

These pledges expire at the same date as the associated loans.

		MATURITY		
	12.31.24	LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS
On intangible assets	9,839	-	9,839	-
On property, plant, and equipment	-	-	-	-
On long-term financial assets	-	-	-	-
On receivables	-	-	-	-
On cash accounts	-	-	-	-
TOTAL	**9,839**	**-**	**9,839**	**-**

7. Financial risks and hedging

7.1 Financial risks

Credit and counterparty risk

The main credit risk to which the Group is exposed is the risk of non-payment by its customers or financial partners involved in the production of works. The Group operates in France and internationally with the main market players and considers that its credit risk is very limited.

As of December 31, 2024, exposure to credit risk was as follows:

			RECEIVABLES OWING					
	12.31.24	OUTSTANDING	FROM 1 TO 30 DAYS	FROM 31 TO 60 DAYS	FROM 61 TO 90 DAYS	FROM 91 TO 180 DAYS	FROM 181 TO 360 DAYS	OVER 360 DAYS
Trade receivables	35,832	26,675	3,781	1,965	359	666	539	1,847
Net receivables on movies and series	3,416	3,416	-	-	-	-	-	-
Gross value	39,248	30,091	3,781	1,965	359	666	539	1,847
Trade receivables	-276	-	-	-	-	-	-	-276
Net receivables on movies and series	-184	-184	-	-	-	-	-	-
Impairment losses	-460	-184	-	-	-	-	-	-276
NET VALUE	**38,788**	**29,907**	**3,781**	**1,965**	**359**	**666**	**539**	**1,571**

Liquidity risk

LOAN AGREEMENT

The loan agreement, comprising a revolving credit line and a refinancing loan, whose characteristics are described in note 6.2, is accompanied by three financial covenants to be met on a half-yearly basis.

The R1 ratio requires the value of the Group's main assets to be at least equal to three times its net borrowings, less production loans subscribed by Gaumont USA Inc and its subsidiaries. The Group's main assets comprise the film catalog, the interest in Gaumont Animation and Gaumont's real estate assets. Net borrowings do not include lease liabilities under the scope of IFRS 16.

The R2 ratio requires the Group to keep net borrowings below 1.1 times equity.

The R3 ratio requires the Group to maintain the average net revenue of its catalog plus the amount of rents related to the operation of the Ambassade building at a level at least equal to 15% of net borrowings less the amount of US production loans at the calculation date.

As of December 31, 2024, given negative net financial borrowings excluding US production loans and lease liabilities under the scope of IFRS 16, the R1 and R3 covenants are not applicable. The R2 ratio is respected and is at -0,30.

Market risks

INTEREST RATE RISK

In France, the Gaumont Group finances its general requirements by means of external fixed or variable rate loans. At December 31, 2024, Gaumont's borrowings in France mainly consisted of a State-guaranteed loan of k€18,750, a refinancing loan of k€23,437 and available cash of k€66,092.

In the United States, the Group finances its productions by drawing on dedicated production loans and by assigning receivables for a line of credit with a maximum amount of k$50,000. These variable rate credit lines are arranged with banks specializing in audiovisual production finance.

In Germany, the Group can also use dedicated production loans with variable rates.

The key features of these credit lines are described in note 6.2.

As of December 31, 2024, the Group's interest rate exposure was as follows:

		MATURITY SCHEDULE		
	12.31.24	LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS
Fixed-rate financial assets	-	-	-	-
Variable-rate financial assets	54,179	54,179	-	-
Financial assets not exposed	33,641	33,641	-	-
Financial assets	87,820	87,820	-	-
Fixed-rate financial liabilities	-7,646	-2,330	-5,316	-
Variable-rate financial liabilities	-32,159	-15,108	-17,051	-
Financial liabilities not exposed	-1,065	-735	-96	-234
Financial liabilities	-40,870	18,173	22,463	-234

(1) Cash and cash equivalents.
(2) Borrowings.

The Group manages its exposure to rate risk by using interest rate swap and cap contracts.

At December 31, 2024, Gaumont had entered into interest rate cap contracts for a nominal amount of k€32,813 in order to hedge against the increase in the Euribor under the loan agreement and the State-guaranteed loan.

Details of the maturities and fair values of these contracts are presented below.

		MATURITY SCHEDULE			
	12.31.24	LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	FAIR VALUE
Rate caps	32,813	8,438	24,375	-	-58
TOTAL	**32,813**	**8,438**	**24,375**	**-**	**-58**

The net exposure to interest rate risk is as follows:

	TOTAL	FIXED RATE	VARIABLE RATE	NOT EXPOSED
Financial assets(1)	87,820	-	54,179	33,641
Financial liabilities(2)	-40,870	-7,646	-32,159	-1,065
Net position before hedging	46,950	-7,646	22,020	32,576
Hedging	-	-32,813	32,813	-
Net position after hedging	46,950	-40,459	54,833	32,576
Sensitivity	-548	-	-548	-

(1) Cash and cash equivalents.
(2) Borrowings.

As Gaumont's exposure to interest rate risk is reversed due to the cash surplus, sensitivity to this risk represents an opportunity cost.

FOREIGN EXCHANGE RISK

The Group is exposed to operating foreign exchange risks on commercial transactions posted on the balance sheet and on likely future transactions. When the Gaumont Group produces feature films or audiovisual work outside the home country of the producer company, it is also exposed to foreign exchange risk on its production expenses.

Throughout 2024, revenue invoiced in a currency other than that of the company behind the transaction amounted to k€6,561, or 4.4% of total revenue.

(in thousands of euros)	TOTAL	USD	GBP	JPY	CAD	AUD	CHF	EUR(1)	MISCELLANEOUS
Revenue	6,561	4,276	386	139	133	53	50	1,398	126

(1) Revenue generated by entities outside the euro zone.

Gaumont examines on a case-by-case basis the necessity and opportunity of currency hedging for this risk, taking into account the unit transaction amount.

At December 31, 2024, the Group's exposure to operating foreign exchange risks was as follows:

	RISK RELATED TO A CHANGE IN THE EURO VALUE						
	TOTAL *(in thousands of euros)*	USD/EUR	GBP/EUR	CAD/EUR	ILS/EUR	YEN / EUR	OTHER/EUR
Assets	3,957	3,742	7	18	16	47	127
Liabilities	-156	-156	-	-	-	-	-
Off-balance sheet	-	-	-	-	-	-	-
Net position before hedging	3,801	3,586	7	18	16	47	127
Hedging	-	-	-	-	-	-	-
Net position after hedging	3,801	3,586	7	18	16	47	127
Sensitivity	-382	-359	-1	-2	-2	-5	-13

An across-the-board 10% decrease in all of the above-mentioned currencies against the euro would have a negative impact of k€382 on the Group's net income.

	RISK RELATED TO A CHANGE IN THE DOLLAR VALUE	
	TOTAL *(in thousands of US dollars)*	MXN/USD
Assets	349	349
Liabilities	-	-
Off-balance sheet	-	-
Net position before hedging	349	349
Hedging	-	-
Net position after hedging	349	349
Sensitivity	-35	-35

An across-the-board 10% decrease in all of the above-mentioned currencies against the US dollar would have a negative impact of k$35 on the Group's net income.

At December 31, 2024, the Group's exposure to financial foreign exchange risk was as follows:

	RISK RELATED TO A CHANGE IN THE EURO VALUE			RISK RELATED TO A CHANGE IN THE DOLLAR VALUE	
	TOTAL *(in thousands of euros)*	USD/EUR	GBP/EUR	TOTAL *(in thousands of US dollars)*	MXN/USD
Assets	2,151	786	1,365	1,487	1,487
Liabilities	-	-	-	-	-
Off-balance sheet	-	-	-	-	-
Net position before hedging	2,151	786	1,365	1,487	1,487
Hedging	-	-	-	-	-
Net position after hedging	2,151	786	1,365	1,487	1,487
Sensitivity	-216	-79	-137	-149	-149

A 10% decrease in the US dollar and the pound sterling against the euro would have a negative impact of k€216 on the Group's net income.

A 10% decrease in the Mexican peso against the US dollar would have a negative impact of k€149 thousand on the Group's net income.

As a result of its investments in subsidiaries based in the United States and the United Kingdom, the Group is also exposed to foreign exchange risk when it translates its subsidiaries' accounts into the reporting currency of its consolidated financial statements. The impacts of this risk are recognized in equity.

At December 31, 2024, the Group's foreign exchange risk from foreign investments was as follows:

(in thousands of euros)	USD/EUR	GBP/EUR
Assets	109,835	9,941
Liabilities	-191,103	-23,738
Off-balance sheet	-513	519
Net position before hedging	-81,781	-13,278
Hedging	94,311	15,404
Net position after hedging	12,530	2,126
Sensitivity to 10% variation	-1,253	-213

A 10% decrease in the US dollar against the euro would have a negative impact of k€1,253 and a 10% decrease in the pound sterling would have a negative impact of k€213 on the Group's equity.

The current accounts contributed by Gaumont SA to its American subsidiaries and its British subsidiary, having been qualified as hedges on net foreign investment, have a nominal value of k$97,980 and k£12,773 respectively at December 31, 2024.

EQUITY RISK

Gaumont and its subsidiaries are not engaged in speculative stock market operations.

At December 31, 2024, Gaumont held 4,649 treasury shares traded under the liquidity contract and 200 registered shares for a total amount of k€257.

The risk of impairment of treasury shares related to volatility in the Gaumont share price remains marginal in view of the amounts invested.

7.2 Financial instruments

Derivatives and hedging operations

The Group uses derivatives to manage and reduce its exposure to the risk of changes in interest rates and foreign exchange rates. These instruments include interest rate swap agreements and foreign exchange options as well as forward contracts to purchase or sell currencies.

Derivatives are initially recognized at their fair value on the effective date of the contract and then remeasured at each reporting date. The fair value of derivatives is shown on the statement of financial position as "Other receivables" or "Other payables", depending on whether it results in an unrealized gain or loss.

NON-HEDGING DERIVATIVES

For instruments that do not qualify as hedges, the change in fair value is reported in financial income under "Other financial income and expenses."

HEDGING DERIVATIVES

IFRS standards define three categories of hedging instruments, each having its own accounting method:

- fair value hedges are intended to provide protection from exposure to a change in the fair value of an asset or of a liability that has been recognized, or of a firm commitment that has not been recognized, which has an impact on net income;
- cash flow hedges are intended to provide protection from exposure to fluctuations in cash flows attributable to a particular risk associated with an asset or with a liability that has been recognized, or to a highly probable forecast transaction, which could affect net income;
- hedges of net investments in foreign operations are designed to protect from exposure to fluctuations in foreign exchange rates affecting an investment in a foreign entity.

When the Group enters into a hedging transaction, it ensures that:

- at the inception of the transaction, formal designation and documentation describe the hedging relationship and the Management's objective in relation to the relevant risk management and hedging strategy;
- management expects the hedge to be highly effective in offsetting risks;
- the transactions hedged are highly probable and involve exposure to variations in cash flows that could ultimately affect the income statement;
- the effectiveness of the hedge can be measured reliably;
- the effectiveness of the hedge is assessed on an ongoing basis and is determined to be highly effective throughout the life of the hedge.

For cash flow hedges, any changes in fair value relating to the effective portion of the derivative are recognized in other comprehensive income. The ineffective portion of these changes is recognized in operating income or in financial income for the year, depending on the nature of the hedged item. The changes in fair value that are recorded in equity are transferred to income statement for the year in which the hedged transaction occurs and affects the income statement.

In 2024, the Group used currency derivatives to hedge its exposure to fluctuations in the Euribor.

Derivatives included in the statement of financial position at their fair value at the reporting date are reported below.

	12.31.24		12.31.23	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Interest rate derivatives	-	58	586	-
Foreign exchange derivatives	-	-	-	-
TOTAL	**-**	**58**	**586**	**-**

Changes in the fair value of derivatives recorded in net income or other comprehensive income are presented as follows:

	12.31.24	OTHER COMPREHENSIVE INCOME	NET INCOME	PREMIUMS PAID	RECLASSIFICATION	12.31.23
Derivative instruments – assets	-	-469	-175	-	58	586
Derivative instruments – liabilities	-58	-	-	-	-58	-
TOTAL	**-58**	**-469**	**-175**	**-**	**-**	**586**

At December 31, 2024, derivatives designated as hedging instruments against the Group's foreign exchange exposure have the following characteristics:

	START	MATURITY	NOTIONAL AMOUNT *(in thousands of euros)*
Call option on interest rates	07.06.22	08.29.25	8,438
Call option on interest rates	11.03.22	05.29.26	5,625
Call option on interest rates	12.05.22	06.03.27	18,750
TOTAL			**32,813**

Financial instruments by category and fair value hierarchy

IFRS standards allocates financial assets into three separate categories:

- financial assets valued at amortized cost, which essentially comprises loans and receivables;
- financial assets held for transaction purposes, measured at fair value through profit and loss;
- available-for-sale financial assets, measured at fair value through equity.

Financial liabilities mainly include borrowings, which are valued at amortized cost.

Furthermore, IFRS standards classify financial assets and liabilities measured at fair value according to three hierarchical levels, depending on the more or less observable nature of the fair value of the instrument:

- level 1 instruments are financial instruments listed on an active market;
- level 2 instruments are those for which measurement at fair value requires using techniques based on observable market data;
- level 3 instruments are measured using techniques based on non-observable data.

The table below compares, by category, the carrying amount and the fair value of all of the Group's financial instruments.

Financial assets and liabilities are measured at fair value in the financial statements.

	12.31.24		BREAKDOWN BY CATEGORY OF INSTRUMENTS					
	NET CARRYING AMOUNT	FAIR VALUE	FAIR VALUE THROUGH PROFIT AND LOSS	AVAILABLE -FOR-SALE ASSETS	LOANS AND RECEIVABLES AT AMORTIZED COST	LIABILITIES AT AMORTIZED COST	DERIVATIVES	HIERARCHICAL LEVEL
Investments in non-consolidated entities	3	3	-	3	-	-	-	na
Other long-term financial assets	126	126	-	-	126	-	-	na
Other current financial assets	92,631	92,631	-	-	92,631	-	-	na
Derivative instruments – assets	-	-	-	-	-	-	-	2
Cash and cash equivalents	87,820	87,820	87,820	-	-	-	-	1
Financial assets	180,580	180,580	87,820	3	92,757	-	-	
Non-current borrowings	22,697	22,697	-	-	-	22,697	-	na
Other non-current financial liabilities	-	-	-	-	-	-	-	na
Current borrowings	18,173	18,173	-	-	-	18,173	-	na
Other current financial liabilities	68,067	68,067	-	-	-	68,067	-	3 / na
Derivative instruments – liabilities	58	58	-	-	-	-	58	2
Financial liabilities	108,995	108,995	-	-	-	108,937	58	

Investments in non-consolidated companies are categorized as available-for-sale financial assets and carried at purchase cost as fair value cannot be reliably measured.

The fair value of interest rate and foreign exchange derivatives is estimated from measurements provided by banks or financial models commonly used in financial markets on the basis of market inputs at the reporting date for the year (level 2 measurement). These derivatives are designated as hedging instruments.

No transfers in fair value hierarchy took place during the period.

	12.31.23		BREAKDOWN BY CATEGORY OF INSTRUMENTS					
	NET CARRYING AMOUNT	FAIR VALUE	FAIR VALUE THROUGH PROFIT AND LOSS	AVAILABLE -FOR-SALE ASSETS	LOANS AND RECEIVABLES AT AMORTIZED COST	LIABILITIES AT AMORTIZED COST	DERIVATIVES	HIERARCHICAL LEVEL
Investments in non-consolidated entities	3	3	-	3	-	-	-	na
Other long-term financial assets	69	69	-	-	69	-	-	na
Other current financial assets	126,184	126,184	-	-	126,184	-	-	na
Derivative instruments – assets	586	586	-	-	-	-	586	2
Cash and cash equivalents	106,908	106,908	106,908	-	-	-	-	1
Financial assets	233,750	233,750	106,908	3	126,253	-	586	
Non-current borrowings	38,426	38,426	-	-	-	38,426	-	na
Other non-current financial liabilities	-	-	-	-	-	-	-	na
Current borrowings	33,405	33,405	-	-	-	33,405	-	na
Other current financial liabilities	72,927	72,927	-	-	-	72,927	-	3 / na
Derivative instruments – liabilities	-	-	-	-	-	-	-	2
Financial liabilities	144,758	144,758	-	-	-	144,758	-	

8. Provisions

In accordance with IAS 37, a provision is accounted for where an obligation exists at the reporting date towards a third party as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, without the Group receiving at least equivalent consideration, and a reliable estimate can be made of the amount of the obligation.

8.1 Change in current and non current provisions

		MOVEMENTS OF THE PERIOD				
	12.31.24	ALLOWANCES	USES	REVERSALS[1]	OTHER[2]	12.31.23
Provisions for pension and similar benefits	3,217	323	-16	-841	356	3,395
Provisions for legal proceedings with personnel	-	-	-	-	-	-
Non-current provisions	3,217	323	-16	-841	356	3,395
Provisions for legal proceedings relating to intellectual property rights over works	620	20	-	-	-	600
Provisions for legal proceedings with personnel	693	161	-62	-	-1	595
Provisions for commercial legal proceedings	95	111	-40	-	-	24
Provisions for other legal proceedings	-	-	-	-	-	-
Provisions for risks on investments in associates	-	-	-	-	-	-
Provisions for risks on creative works	-	-	-	-	-	-
Other provisions for miscellaneous risks	-	-	-	-	-	-
Provisions for property-related expenses	-	-	-	-	-	-
Provisions for personnel costs	-	-		-	-	-
Provisions for income taxes	-	-	-	-	-	-
Provisions for other costs	-	-	-	-	-	-
Current provisions	1,408	292	-102	-	-1	1,219
TOTAL	**4,625**	**615**	**-118**	**-841**	**355**	**4,614**
Impact on current operating income		615	-118	-841	-	
Impact on non-current operating income		-	-	-	-	
Impact on share of net income of associates		-	-	-	-	
Impact on other comprehensive income		-	-	-	355	

(1) *Unused amounts.*
(2) *Changes in scope, transfers between items, foreign exchange gains and losses, actuarial gains or losses.*

Provisions for intellectual property disputes include ongoing disputes over ownership of creative works or over how proceeds from their distribution should be divided up.

Provisions for other legal proceedings relate to suits over the application of French employment regulations, but do not include disputes with employees going through arbitration which are reported under legal proceedings with personnel.

Provisions for other risks covers risks related to regulatory controls or partners in financial difficulties.

These provisions are adjusted according to changes in risk estimated using information available on the closing date. As of December 31, 2024, provisions for risk recognized in liabilities were measured on the basis of the amounts for which the Gaumont Group is being sued, where it is considered probable that it will have to pay.

8.2 Employee benefits

The provision for post-employment benefits relates to the Group's pension commitment to its employees.

Provisions for pension and similar benefits include pensions and other retirement benefits provided for under the collective agreements of the Group's companies and commitments related to bonuses granted subject to certain seniority conditions. These provisions solely relate to the Group's French employees.

In accordance with IAS 19, it is calculated, by independent actuaries, on the basis of the projected unit credit method at the date of retirement, based on the salary at that date, and regarding the following assumptions:

- rights under agreements measured in relation to the length of service accrued by the various categories of personnel;
- an assumption of the retirement date varying based on the employees' job category and date of birth, in order to take into account the regulations in force;
- an estimated turnover rate based on past experience;
- wages and salaries, including employer's social security contributions, measured at the prevailing rates;
- an annual rate of salary increase;
- mortality based on statistical tables;
- discount rate for the pension commitment reviewed at each end of period, based on long-term private sector corporate bonds (Euro zone AA rated corporate bonds +10 years).

The total commitments are spread over each of the past and future years that resulted in the granting of rights to the plan. Note that if these rights are capped or obtained in stages, they are granted retroactively from the last projected year of service.

In accordance with IAS 19:

- commitments are all recognized as a liability on the consolidated financial position;
- past service costs, profits and losses on liquidation and the net interest on the liabilities recognized in respect of the services defined are recognized as net income for the year and presented in "Personnel expenses";
- the actuarial gains and losses are recognized in "Other comprehensive income";
- impacts of plan amendments are immediately recorded in net income;
- the expected rate of return on plan assets is the same as the discount rate applied to the defined benefit obligation.

The Group has no assets in respect of its defined benefit plans.

Analysis of provisions for pension and similar benefits break down as follows:

	12.31.24	12.31.23
Pensions	3,217	3,395
Seniority bonuses	-	-
TOTAL	**3,217**	**3,395**

Since 2022, Gaumont no longer measures its commitments related to bonuses granted subject to certain seniority conditions.

The commitment for post-employment benefits is expected to result in the payment schedule set out below.

	12.31.24	12.31.23
Expected payments in the next 10 years		
• Less than 1 year	508	406
• 1 to 5 years	886	741
• 5 to 10 years	1,678	2,229
AVERAGE DURATION OF THE COMMITMENT *(in years)*	**11.02**	**10.89**

The changes in actuarial liability for the last three years are detailed in the table below.

	2024			2023		
	PENSIONS	SENIORITY BONUSES	TOTAL	PENSIONS	SENIORITY BONUSES	TOTAL
ACTUARIAL LIABILITY AT THE BEGINNING OF THE YEAR	**3,395**	**-**	**3,395**	**4,037**	**-**	**4,037**
Current service cost	203	-	203	291	-	291
Plan amendment	-841	-	-841	-215	-	-215
Benefits paid	-16	-	-16	-42	-	-42
Service cost	**-654**	**-**	**-654**	**34**	**-**	**34**
Discounting effect	120	-	120	117	-	117
Interest expense	**120**	**-**	**120**	**117**	**-**	**117**
Actuarial gains and losses recognized in net income	**-**	**-**	**-**	**-**	**-**	**-**
Net expense recognized in income	-534	-	-534	151	-	151
Experience gains/losses	239	-	239	-154	-	-154
Changes in demographic assumptions	1	-	1	-445	-	-445
Changes in financial assumptions	116	-	116	-194	-	-194
Actuarial gains and losses recognized in comprehensive income	**356**	**-**	**356**	**-793**	**-**	**-793**
Amounts recognized in other comprehensive income	356	-	356	-793	-	-793
Changes in scope	-	-	-	-	-	-
ACTUARIAL LIABILITY AT THE END OF THE YEAR	**3,217**	**-**	**3,217**	**3,395**	**-**	**3,395**

The future liability for pension and similar benefits was assessed based on the following actuarial assumptions:

	PENSIONS	
	12.31.24	12.31.23
Discount rate	3.30%	3.75%
Expected return on plan assets	0.00%	0,00%
Inflation rate	2.00%	2.25%
Average expected increase in salaries	2.54%	2.56%

Applying the actuarial assumptions, the expected expenses for 2025 break down as follows:

	2025
	PENSIONS
Current service cost	209
Plan amendment	-
Service cost	209
Discounting effect	98
Interest expense	98
EXPECTED EXPENSE FOR THE PERIOD	**307**

The table below shows the sensitivity of the commitment and future charge to a hundred basis points change in the discount rate. The amounts shown represent the change compared with the liability reported in the statement of financial position or to the expected charge for the next period.

	PENSIONS	
ASSUMPTIONS	PRESENT VALUE OF LIABILITY	SERVICE COST IN 2025
Discount rate (Basic rate: 3,30%)		
2.30%	308	25
4.30%	-262	-21

9. Other information

9.1 Income tax and other taxes

Principles and methods of recognition of duties and taxes

OBLIGATING EVENT FOR LEVY RECOGNITION

In accordance with the interpretation of IFRIC 21, the obligating event for levy recognition is the event that triggers the payment, as defined in legal and regulatory provisions. When the obligating event occurs over a certain period of time, the tax liability is recognized gradually over the period.

When legal and regulatory provisions state that a minimum threshold must be reached for the tax to be payable, it is recognized when the threshold is actually reached.

DEFERRED TAX

In accordance with IAS 12, deferred tax is recognized for all temporary differences identified between the carrying amount of assets and liabilities and their tax bases, using the liability method.

Deferred tax assets on tax loss carryforwards are recognized when their recovery is considered probable based on recent business plans.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are assessed at the tax rates that are expected to be applied during the year in which the asset will be realized, or the liabilities paid, based on known tax rates applicable in the various countries on the reporting date.

The Group considers the local business tax (*contribution économique territoriale*) and in particular the contributions based on the added value of companies (*Cotisation sur la valeur ajoutée des entreprises*, or CVAE) as an operating expense which does not come under the scope of IAS 12. No deferred tax liability is recognized on this basis.

Reconciliation of recorded tax and theoretical tax

	2024	2023
Net income of companies before tax	-8,420	-3,139
Current tax rate applicable to the parent company	25.00%	25.00%
Theoretical tax	2,105	785
Reduced tax rate differentials	-	-
Effect of change in rates on temporary differences	-	-
Tax rate differentials between France and abroad	-304	53
Share of net income of associates	-	-
Permanent differences	-149	-260
Impact of capping deferred tax assets at the amount of deferred tax liabilities	941	-511
Long-term gains on disposals of consolidated shares	-	-
Change in unrecognized tax loss carryforwards	-5,034	-6,160
Tax consolidation	336	1,191
Tax credits in operating income	2,855	4,714
Impact of the acquisition under favorable conditions	-	71
Income tax without base and tax credits	-56	-150
Effective tax benefit (expense)	694	-267
Effective tax rate	8.24%	-8.51%

(1) In the consolidated financial statements, the cinema tax credit is presented under current operating income.

Breakdown of the tax expense or benefit

	2024	2023
Current income tax	-26	-104
Deferred tax	720	-163
TOTAL TAXES	**694**	**-267**

CURRENT INCOME TAX

Current tax income or expense is equal to the amounts of income tax, net of tax credits, owed to the tax authorities for the year under the tax law, and rates in force in the various countries.

Gaumont and the French subsidiaries of which it owns 95% or more have elected for the fiscal consolidation scheme.

The tax consolidation scope includes Gaumont SA, Gaumont Télévision SAS, Gaumont Production SARL, Gaumont Animation SAS, Éditions la Marguerite SARL, Gaumont Production Télévision SARL, Gaumont Production Animation SARL, GP Archives SAS and Gaumont Vidéo SAS.

The fiscal consolidation is neutral for the subsidiaries, as the tax savings or expenses generated by consolidation are recognized in the financial statements of Gaumont SA. The tax saving on profits inherent in the tax losses of the consolidated subsidiaries are systematically repaid to the latter.

The tax consolidation generated tax savings of k€336 for the year.

DEFERRED TAX

The rate used to calculate deferred tax is as follows:

	2024	2023
Standard tax rate for French companies	25.00%	25.00%
Tax rate for companies based in Germany	32.45%	32.45%
Tax rate for companies based in Italy	24.00%	24.00%
Tax rate for companies based in the United Kingdom	25.00%	19.00%
Tax rate for companies based in California, United States	28.00%	28.00%

Deferred tax is presented in the statement of financial position under non-current assets and/or non-current liabilities, as applicable. They break down as follows:

	12.31.24	EFFECT ON COMPREHENSIVE INCOME	OTHER MOVEMENTS(1)	12.31.23
Deferred tax assets	5,383	387	-144	5,140
Deferred tax liabilities	-6,350	-935	143	-5,558
NET DEFERRED TAX	**-967**	**-548**	**-1**	**-418**

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

The origin of the net deferred tax is presented below:

	12.31.24	EFFECT ON COMPREHENSIVE INCOME	OTHER MOVEMENTS(1)	12.31.23
Recognized unused tax losses	5,583	-1,215	-	6,798
Fair value of films	-151	108	-	-259
Fair value of land and buildings	-4,936	56	-	-4,992
Accelerated amortization of films	259	1	-1	259
Other temporary differences	-1,722	502	-	-2,224
NET DEFERRED TAX	**-967**	**-548**	**-1**	**-418**

(1) Changes in scope, transfers between items, foreign exchange gains and losses.

As of December 31, 2024, the tax loss carryforwards of the Gaumont tax consolidation group in France that could be carried over indefinitely and against which there is a probability of charging future profits amounted to k€98,664.

Tax losses of the integrated group are recognized in the financial statements so that the net deferred tax assets of companies in the tax consolidation group do not exceed their net deferred tax liabilities, after using any tax losses available prior to the fiscal consolidation. As of December 31, 2024, recognized losses for the tax consolidation group were k€25,475, compared with k€23,376 at the end of 2023.

The tax losses of the German and Italian companies, whose activities were started in 2018 and 2022 and being activated partially or totally, led to recognizing a deferred tax asset amounting to k€1,070. The development perspectives of these two companies underpin the probable recovery of these capitalized losses.

The tax losses of the American and British companies are recognized in the financial statements so that the deferred tax assets do not exceed their net deferred tax liabilities. As of December 31, 2024, the losses activated for the American and British companies are nil.

Income tax on other comprehensive income

	2024			2023		
OTHER COMPREHENSIVE INCOME	GROSS AMOUNT	TAX EFFECTS	NET AMOUNT	GROSS AMOUNT	TAX EFFECTS	NET AMOUNT
Translation adjustments of foreign operations	-5,424	-	-5,424	2,266	-	2,266
Change in fair value of available-for-sale financial assets	-	-	-	-	-	-
Change in fair value of hedging financial instruments	5,428	-1,357	4,071	-3,312	828	-2,484
Change in asset revaluation surplus	-	-	-	-	-	-
Actuarial gains (losses) on defined benefit plans	-356	89	-267	793	-198	595
Share in other comprehensive income of associates	-	-	-	-	-	-
TOTAL	**-352**	**-1,268**	**-1,620**	**-253**	**630**	**377**

9.2 Statutory auditors

The fees of the statutory auditors and members of their network paid by the Group in 2024 and 2023 are as follows:

	TOTAL				ADVOLIS				ACA NEXIA			
	2024		2023		2024		2023		2024		2023	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Auditing												
Certification and review of separate and consolidated financial statements												
• Issuer	318	70%	308	71%	153	71%	148	75%	165	69%	160	67%
• Consolidated subsidiaries	124	27%	128	29%	50	23%	50	25%	74	31%	78	33%
Related services												
• Issuer	13	3%	-	0%	13	6%	-	0 %	-	0%	-	0%
• Consolidated subsidiaries	-	0%	-	0%	-	0%	-	0 %	-	0%	-	0%
TOTAL	**455**	**100%**	**436**	**100%**	**216**	**100%**	**198**	**100%**	**239**	**100%**	**238**	**100%**

Related services are those in connection with typical service delivered following the extension of a statutory auditors' assignment or any other special mission, in general, non-recurring and by contract.

9.3 Subsequent events

No event likely to have a material impact on the consolidated financial statements presented above has occurred since December 31, 2024.

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2024

To the Annual General Meeting of Gaumont,

1. Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Gaumont for the year ended December 31, 2024.In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

2. Basis for Opinion

2.1 Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

2.2 Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2024 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

3. Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These assessments were made in the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on these consolidated financial statements taken in isolation.

3.1 Recognition of revenue from service contracts

(Note 3.2 to the consolidated financial statements)

Risk identified	In 2024, the Group's revenue includes revenue from line production contracts for a total amount of €58,2 million. As mentioned in Note 3.2 to the consolidated financial statements, the Group's revenue mainly come from services through which Gaumont produces a work on commission from a broadcaster and does not retain any intellectual property rights. As soon as there is an enforceable right to payment for the service already performed and control over the work is gradually transferred to the client, these service contracts give rise to the recognition of the percentage of the associated revenue. We therefore considered the application of the percentage-of-completion method and the measurement of the latter to be a key point of the audit.
Our response	Our work consisted in: • Reviewing the contractual terms and conditions leading to the recognition of revenue relating to the provision of services on a percentage-of-completion basis; • Checking, for the most significant productions, the elements used in the estimate of the margin on completion, in particular by reconciliation with the contracts and by interview with Management; • Assessing the level of completion, for the most significant productions, by comparing the costs incurred by the Group with the estimates used to determine the margin on completion; • Checking the arithmetical accuracy of the revenue recognized by the Group by applying the percentage-of-completion method; • Assessing the appropriateness of the information provided in the notes to the consolidated financial statements.

3.2 Valuation of films and audiovisual rights

(Note 4.1 to the consolidated financial statements)

Risk identified	The feature films and animations, as well as audiovisual series produced or distributed by the Group are fixed assets whose net amount totals €106,2 million in the Group's consolidated financial statements, *i.e.* 28,2% of the total assets as at December 31, 2024. As set out in Note 4.1 to the consolidated financial statements, the Group believes that the amortization of films and audiovisual rights according to the production unit method is the most appropriate method, defined as the ratio between the net proceeds acquired for the year and total net proceeds. Total net proceeds include net proceeds acquired during the year and estimated net proceeds over a maximum period of ten years from the date of first operation. Management reviews the estimated net proceeds regularly and adjusts them, if need be, taking into account operating profits, new contracts signed or planned and the audiovisual environment at the reporting date. In addition, the Group estimates a residual value for films that are very successful with the public when they are released in theaters, and that have significant commercial potential beyond a ten-year period. The recoverability of this residual value is reviewed at each end of period. The valuation of films and audiovisual rights is dependent on a measurement of estimated net proceeds, and is largely based on the discretion of Management. We therefore considered the valuation of films and audiovisual rights to be a key point of the audit.
Our response	Our work consisted in: • Assessing the compliance of the amortization calculation with the accounting rules and methods specified in Note 4.1 to the consolidated financial statements; • Verifying, through sampling, the items used to calculate future economic proceeds, notably by reconciliation with the contractual clauses, by comparison to historical estimates and through interviews with Management; • Assessing, for a selection of films and audiovisual rights, the consistency of estimated future net proceeds with the proceeds for the period, and assess changes in future net proceeds forecasts; • Assessing the appropriateness of the information provided in the notes to the consolidated financial statements.

3.3 Valuation of "Animation" goodwill

(Note 2.4 to the consolidated financial statements)

Risk identified	At 31 December 2024, the net carrying amount of the Animation cash-generating unit was €11,5 million. The Group performs impairment tests whenever there is an indication of impairment, and at least once a year for assets with an indefinite useful life, *i.e.* for CGUs including goodwill. The methods used to implement impairment tests and the assumptions used, are described in Note 2.4 to the consolidated financial statements. We considered the valuation of "Animation" goodwill to be a key audit matter due to the complexity of determining the value in use of this asset.
Our response	Our work consisted in: • Assessing the compliance of the methodology for determining the value in use applied by the Group with the accounting standards in force, and its consistency with the previous year; • Assessing, in light of the Group's internal data and interviews conducted with Management, the appropriateness of the projected financial data on which the valuation is based; • Assessing, with the support of our valuation experts, the appropriateness of the discount rate applied; • Assessing the appropriateness of the information provided in the notes to the consolidated financial statements.

4. Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

5. Report on Other Legal and Regulatory Requirements

5.1 Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the separate and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of December 17, 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

5.2 Appointment of the Statutory Auditors

We were appointed as statutory auditors of Gaumont by the General Meeting held on May 11, 2023 for ACA Nexia and on May 2, 2005 for Advolis.

As at December 31, 2024, ACA Nexia was in its first year and Advolis in its nineteenth year of total uninterrupted engagement.

6. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

7. Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

7.1 Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

In addition:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

7.2 Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Signed in Paris on March 19, 2025

The Statutory Auditors

Aca Nexia represented by		Advolis represented by
Olivier Juramie	Mikaël Jacques	Nicolas Aubrun

4

SHARE CAPITAL AND SHAREHOLDERS

GAUMONT SHAREHOLDERS

Shareholders holding over 5% of voting rights and treasury shares

Change in shareholding over the last three years

	12.31.24				12.31.23				12.31.22			
	BREAKDOWN OF SHARE CAPITAL		BREAKDOWN OF VOTING RIGHTS		BREAKDOWN OF SHARE CAPITAL		BREAKDOWN OF VOTING RIGHTS		BREAKDOWN OF SHARE CAPITAL		BREAKDOWN OF VOTING RIGHTS	
SHAREHOLDERS	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
Ciné Par	2,798,628	89.70	5,563,256	94.32	2,798,628	89.70	5,563,256	94.32	2,798,628	89.70	5,563,256	94.32
Public	316,446	10.14	334,774	5.68	316,446	10.14	334,749	5.68	316,446	10.14	334,720	5.68
Shares held by Gaumont SA	4,849	0.16	-	-	4,849	0.16	-	-	4 849	0.16	-	-
TOTAL	**3,119,923**	**100.00**	**5,898,030**	**100.00**	**3,119,923**	**100.00**	**5,898,005**	**100.00**	**3,119,923**	**100.00**	**5,897,976**	**100.00**

To Gaumont's knowledge, no shareholder other than those mentioned in the above table held directly, indirectly or together more than 5% of the share capital or voting rights.

Gaumont is unable to estimate the exact number of its shareholders to date. At December 31, 2024, the number of registered shareholders was 82.

At December 31, 2024, Gaumont held 4,849 treasury shares, including 4,649 shares with a par value of €8 under its liquidity contract and 200 registered shares, representing a total investment of k€257. These shares constituted 0.16% of the share capital and carried no voting rights or dividend rights.

No controlled entity owns Gaumont shares.

Significant events that had an impact on shareholding structure during the last three years

To Gaumont's knowledge, no event that had an impact on shareholding has occurred since 2020 and the date of this report.

Breaching of shareholding thresholds

To Gaumont's knowledge, no thresholds were crossed in 2024 and up to the date of this report.

Trading in Gaumont's own shares

To ensure the Gaumont share continues to be liquidly traded and regularly quoted on the market, the Group has a counterparty account with broker Exane BNP Paribas under a liquidity contract, which was signed on July 1, 2010, for a one-year period and is tacitly renewable. The initial contributions of k€300 were supplemented by an additional k€100 in November 2010.

Since October 23, 2023, all rights and obligations of Exane BNP Paribas under the liquidity contract have been transferred to BNP Paribas Arbitrage.

The liquidity contract is managed by BNP Paribas Arbitrage, which is authorized to assess the need to intervene in the market solely for:

- facilitating the listing of the shares;
- improving the distribution of the share ownership;
- improving the security's liquidity in the market.

At December 31, 2024, total resources allocated to this contract included 4,649 treasury shares and k€16 in cash.

In addition, at December 31, 2024, Gaumont held 200 registered treasury shares.

In 2024, Gaumont carried out the following transactions on its treasury shares:

	2024	2023
Number of shares purchased	-	-
Average purchase price	-	-
Number of shares sold	-	-
Average sale price	-	-
Trading fees	-	-
Number of shares held on December 31	4,849	4,849
Value of shares held on December 31	€257,519	€257,519
Percentage of share capital held on December 31	0.16%	0,16%
Par value of shares	€8	€8

Employee and executive shareholding

Executive shareholders

To Gaumont's knowledge, the Board members together directly held 3 834 shares, representing 0.12% of the company's share capital and 0.13% of the company's voting rights as of December 31, 2024.

Trading in the company's shares by executive officers and directors

To Gaumont's knowledge, no trading in shares of the company was carried out in 2024.

Employee shareholders

To Gaumont's knowledge, none of its employees held shares at December 31, 2024.

To Gaumont's knowledge, there is no savings plan or fund invested in the company's shares for the benefit of its current or former employees.

Dividend policy

The distribution policy in relation to future dividends is based on various criteria, in particular, the company's investment requirement, its financial position and market practices.

Unclaimed dividends are forfeited five years after they become payable, as provided by article 2224 of the French Civil code (*Code civil*). Such unpaid dividends are paid to the French Treasury, pursuant to Article L. 1126-1 of the French General Ownership of Public Persons code (*Code général de la propriété des personnes publiques*).

No dividend has been distributed by Gaumont over the last five fiscal years.

Factors likely to have an impact in the event of a public offering

Reference shareholders

Gaumont's reference shareholder is Ciné Par, controlled by Ms. Sidonie Dumas since October 2, 2017, who holds 89.70% of the share capital and 94.32% of the voting rights at December 31, 2024.

At the date of this report, the presence of independent members on the company's Board of Directors (5 out of the 8 Board members) and the fact that certain decisions are submitted to the Board of Directors for prior approval, ensure that the control of the company is lawfully exercised. In particular, the Board's prior approval is required for certain transactions carried out by Executive management, the details of which are provided in the Information on corporate officers section.

Shareholders' agreements

To Gaumont's knowledge, there is no agreement between shareholders (in particular between executive officers) that could limit the transfer of shares and the exercise of voting rights.

Pledging of shares

To Gaumont's knowledge, no Gaumont shares were pledged as collateral as of December 31, 2024.

Changes in share capital and share rights

Any change in the share capital or the rights attached to each share is subject to compliance with applicable laws. The bylaws do not place any conditions or restrictions on such transactions.

Gaumont agreements with a specific change of control clause

To Gaumont's knowledge, the significant agreements entered into by the Company that are modified or terminated in the event of a change of control of the Company are mainly loan agreements for an aggregate principal amount of k€125,000 signed on May 31, 2021 and intended to finance or refinance the development of subsidiaries 'activities and the general needs of the Company and its subsidiaries.

INFORMATION ON SHARE CAPITAL

Change in Gaumont SA share capital

At December 31, 2024, Gaumont's share capital was €24,959,384. It is comprised of 3,119,923 shares, each with a par value of €8, all fully paid up and of the same category.

In all, there were 5,898,030 voting rights attached to shares, including 2,778,107 shares with double voting rights.

Gaumont had not issued any securities other than equity securities.

Potential capital

At December 31, 2024, 24,151 shares could potentially be issued upon the exercise of stock options granted to employees of Gaumont and other affiliated companies.

All 24,151 exercisable options received an exercise price lower than the average listed price for the period and showed a dilutive effect equivalent to 9,536 shares as of December 31, 2024.

The following table shows the effects on capital and earnings per share of exercising all the options that are dilutive.

	2024	2023
Average number of shares	3,119,876	3,119,876
Consolidated net income attributable to owners of the parent *(in thousands of euros)*	-7,674	-3,683
Net income per share *(in euros)*	**-2.46**	**-1.18**
Number of stock options with a dilutive impact	9,536	10,661
Average potential number of shares	3,129,412	3,130,537
Diluted net income per share *(in euros)*	**-2.45**	**-1.18**
Percentage of dilution *(in %)*	0.31	0.34

History of stock option plans

Since December 1987, Gaumont has set up eight stock option plans for some of its employees, and in particular its managing executives, except for the Chairman of the Board of directors who does not receive any plan.

Stock option plans outstanding at the end of the period

Table 8 of the AMF recommendation No. 2021-02

Plans I and II expired December 2, 2002, and December 22, 2003, respectively.

All options granted under the plans III, IV and VII were fully exercised.

Plans V, VI and VIII were still outstanding as of December 31, 2024. They have the following characteristics:

	PLAN V	PLAN VI	PLAN VIII
Date of General meeting	06.02.94	04.25.96	04.29.04
Date of the Board of Directors or Executive Board	02/15/96(1)	03/12.98(1)	02/28/05(2)
Type of option	Subscription	Subscription	Subscription
Total number of options that may be subscribed at the granting date	104,000	168,000	196,750
Including number of options that may be subscribed at the granting date by corporate officers:			
• Sidonie Dumas (Chairwoman of the Management Board)	1,000	2,000	30,000
• Christophe Riandee (Member of Management Board)	-	-	30,000
Starting date of exercise of options	02.15.01	03.12.03	02.28.09
Expiry date	02.14.46	03.11.48	02.27.49
Initial exercise price *(in euros)*	€50.31	€64.03	€64.00
Adjusted exercise price *(in euros)*	€43.77	€55.70	€55.79
Exercise conditions(3)	na	na	na
Total adjusted number of options granted	119,683	193,341	226,534
Aggregate number of options canceled at 12.31.24	47,184	100,164	103,943
Aggregate number of options exercised at 12.31.24	71,347	90,873	101,896
NUMBER OF OPTIONS OUTSTANDING AT 12.31.24	**1,152**	**2,304**	**20,695**
Including number of options that corporate officers may subscribe to			
• Sidonie Dumas	-	-	20,695
Including the number that may be subscribed to by the top ten employees with the highest number of options granted(4)	-	-	-

(1) Board of directors.
(2) Management Board.
(3) No performance requirements
(4) When more than ten employees are concerned in equal terms, the number specified takes account of all concerned parties (including individuals who left the Company).

Number of options held by top ten employees of the company granted the largest number of options

Table 9 of the AMF recommendation No. 2021-02

During 2024, no share purchase or subscription options were granted to employees of Gaumont SA or its subsidiaries. At January 1, 2025, the ten employees who received the highest number of options no longer held any exercisable share options.

SECURITIES MARKET INFORMATION

Gaumont's shares were listed for the first time on the Paris Stock Exchange's cash market on August 26, 1948. Since June 24, 1996, they have been traded on the Euronext Paris market and belong to compartment B of Eurolist (ISIN code: FR0000034894). There is no other listing market.

Summary of changes in the share price over the last two financial years

(in euros)	2024	2023
Top	99.00	106.00
Stockings	82.00	94.50
Last price	84.50	98.00

Source: NYSE Euronext.

Change in the stock market price and trading volumes on Gaumont shares in 2024

	MONTHLY PRICE *(closing, in euros)*				
	HIGHER	LOWER	MEDIUM	NUMBER OF SHARES	CAPITAL TRADED *(in thousands of euros)*
January	99.00	94.50	96.39	569	55
February	99.00	94.50	96.92	678	66
March	98.00	92.00	95.56	1,735	164
April	98.50	92.50	95.63	1,945	185
May	98.00	90.50	96.00	619	58
June	94.50	87.00	91.63	959	86
July	92.50	86.00	90.53	770	69
August	89.50	84.50	87.88	766	67
September	90.00	84.50	87.17	1,967	171
October	90.00	84.50	86.93	733	63
November	92.00	83.00	85.85	1,829	159
December	85.50	82.00	84.12	1,602	133
RESULTS FOR THE PERIOD	**99.00**	**82.00**			
AVERAGES FOR THE PERIOD			**91.22**	**1,181**	**106**

Source : NYSE Euronext.

The average price in December 2024 shows a market capitalization of k€262,441.

FINANCIAL DISCLOSURE TIMETABLE

Publication of the financial statements

March 6, 2025: Full-year results 2024
September 10, 2025: Half-year results 2025

General meeting of shareholders

May 6, 2025: Combined Ordinary and Extraordinary General Meeting called to approve the financial statements for the year ended December 31, 2024

DOCUMENTS AVAILABLE TO THE PUBLIC

All documents made available to shareholders and the public under legal conditions may be consulted at the Gaumont registered office, 30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine.
Copies of the Universal Registration Document are available free of charge from Gaumont, as well as on the websites of Gaumont (*www.gaumont.com*) and the AMF (*www.amf-france.org*).
Regulated information is available on the website: *http://www.gaumont.com, Finance page*.

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ADDITIONAL INFORMATION

PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Person responsible for the Universal registration document

Name and title of the person responsible for the Document

Sidonie Dumas

Chief Executive Officer

Certificate

I certify that I have made every reasonable effort to ensure that the information contained in this Universal registration document is, to my knowledge, consistent with the facts and does not contain such omissions as may adversely affect its scope.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the company and all entities included in the consolidated group, and that the management report provides a true and fair view of the business trends, results and financial position of the company and all entities included in the consolidated group, together with a description of the main risks and uncertainties that they face.

Neuilly-sur-Seine, April 14, 2025

Sidonie Dumas
Chief Executive Officer

Persons responsible for auditing

Statutory auditors

ADVOLIS	ACA NEXIA
• Member of the Compagnie régionale de Paris • Address: 38, avenue de l'Opéra 75002 Paris	• Member of the Compagnie régionale de Paris • Address: 31, rue Henri Rochefort, 75017 Paris
• Represented by Nicolas Aubrun	• Represented by Olivier Juramie and Mikaël Jacques
• First appointment: General meeting of May 2, 2005, taking over from KPMG, formerly RSM Salustro Reydel	• First appointment: General meeting of May 11, 2023, taking over from Ernst & Young et Autres

Person responsible for financial information

Sami Tritar

Chief Financial Officer

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