

PANTAFLIX AG with significant increase in revenues and production record in 2018 – Expansion of VoD strategy opens up new high-revenue markets

- **Significant increase in revenues of around 25.0% to EUR 35.1 million (previous year: EUR 28.1 million)**
- **Production record for films and series – 4 cinema releases expected in 2019**
- **Expansion of digital and platform strategy to include AVod and SVoD**
- **Solid financial resources: Cash and cash equivalents of EUR 13.9 million**

Munich, June 7, 2019 - PANTAFLIX AG (GSIN: A12UPJ, ISIN: DE000A12UPJ7) has started into the current financial year with tailwind from film and series productions and has set the course to expand its digital strategy and therefore a significant increase in the potential customer base of its VoD platform www.pantaflix.com.

In financial year 2018, PANTAFLIX AG generated revenues of EUR 35.1 million (previous year: EUR 28.1 million). This significant increase of around 25.0% was achieved despite a shift in revenue recognition of the film projects RESISTANCE and DEM HORIZONT SO NAH (SO NEAR THE HORIZON). The decisive point in time relevant for the revenue recognition of the two productions with the creation of the zero copy occurs in 2019. On an operating level, PANTAFLIX achieved earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 2.9 million in the 2018 financial year (previous year: EUR 17.5 million). Amortization – mainly performance-related amortization of capitalized production costs for film projects – amounted to EUR 11.9 million (previous year: EUR 15.3 million). Earnings before interest and taxes (EBIT) were affected by the shift in revenue recognition of two film projects already produced in 2018, but not completed until the second half of 2019, and resulted at EUR -9.0 million (previous year: EUR 2.2 million) in line with the forecast for financial year 2018 as adjusted in December 2018.

With cash and cash equivalents of EUR 13.9 million as of December 31, 2018, the Company has a solid financial base and is in a position to respond flexibly to any market situation and at the same time finance all activities necessary to expand its business further (December 31, 2017: EUR 17.1 million).

The film production division made a considerable contribution to the growth in revenues with a new production record for film and series content in 2018. At the beginning of the year, the film HOT DOG started at No. 1 in the German cinema visitor charts, followed by VIELMACHGLAS. Towards the end of 2018, a production of 100 DINGE (100 THINGS) was released into cinemas, which was a great success with 1.5 million viewers. In the area of series productions, the second season of YOU ARE WANTED celebrated its Hollywood premiere. Another innovative series format produced for Amazon Prime Video was BEAT, the first Amazon Prime series ever to receive the prestigious Grimme Award. BEAT is a production by Hellinger/Doll Filmproduktion,

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Warner Bros. Film Productions Germany and Pantaleon Films in collaboration with Amazon Studios.

In the video-on-demand division, scale-up has not yet progressed at the intended pace, prompting management to expand its digital strategy. In the first half of 2019, Thilo Schlüter (COO) and Manuel Uhlitzsch, two proven digital business developers, were recruited by the Company to closely accompany the rollout as executive team. New access channels such as SVoD and AVoD as well as a stronger development of the platform towards a white label solution for business partners open up further attractive revenue channels for PANTAFLIX and thus a massive increase in the potential customer base as well as a noticeable reduction in customer acquisition costs.

"We have set ourselves ambitious goals, but we were not yet able to achieve them all in 2018. However, we have set the course for a successful 2019 financial year. These include our production pipeline, which is filled to record levels, as well as the expansion of our platform strategy to include subscriptions and advertising-financed video-on-demand, with which we are opening up two additional high-revenue markets. Our market-proven and highly scalable VoD platform is the starting point for interconnecting all corporate divisions and integrating them into the unifying strategy. In future, PANTAFLIX will offer all customers more choice and even more possibilities. We look forward to the current financial year with confidence and want to meet the challenges with passionate commitment," says PANTAFLIX Chief Executive Officer (CEO) Nicolas Paalzow.

PANTAFLIX is ideally positioned to benefit from a media market which is currently changing rapidly. With *ABIKALYPSE*, *DEM HORIZONT SO NAH*, *RESISTANCE* and *AUERHAUS*, four PANTALEON films will be released in 2019. By expanding its digital strategy, pantaflix.com's performance potential can be enhanced even more efficiently and it is possible to reach new customers in a dynamically growing VoD market. At the same time, the PANTALFIX content partners will also benefit, as they will have the greatest possible flexibility in monetizing their content in the future, thanks to an even more differentiated exploitation model.

The PANTAFLIX Group expects a slight increase in revenues for the 2019 financial year. Since shifts of projects within the film sector can never be completely ruled out, a variation in revenues in the mid to high single-digit million euro range can never be fully ruled out. Despite such shifts and increased expenses, especially for marketing, sales and technology, the forecast envisages a significant improvement in the operating result (EBIT).

The Annual Report 2018 is available for download in the Investor Relations section at www.pantaflixgroup.com.

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About PANTAFLIX AG:

PANTAFLIX AG (GSIN: A12UPJ, ISIN: DE000A12UPJ7) is one of the fastest growing media companies in Europe. The Company pursues a 360-degree approach with regards to production, distribution, exploitation and marketing of films and series as well as their rights. In addition to the classic film production business PANTALEON Films, the music label PantaSounds, the brand integration unit March & Friends and the creative and production agency Creative Cosmos 15, the cloud-based video-on-demand platform (VoD) PANTAFLIX is also part of the Group. The VoD platform focuses on the global availability of international content.

PANTAFLIX AG cooperates with renowned partners such as Amazon, Disney, Warner Bros., StudioCanal and Premiere Digital Services. In its home market of Germany, the Group has offices in Berlin, Cologne and Munich.

Further information is available at www.pantaflixgroup.com and www.pantaflix.com.

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