

<b>FINANCIAL REPORT for the Six Month Period Ending June 30, 2019</b>	<b>_____</b>
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This financial report was approved by the Board of Directors of Highlight Event and Entertainment AG on August 21, 2019.

Contact:  
Bernhard Burgener  
President and member of the Board of Directors

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (condensed)

in CHF thousand	June 30, 2019	Dec. 31, 2018
	<i>Not audited</i>	<i>Audited</i>
Cash and cash equivalents	50,167	59,340
Receivables	116,462	146,507
Inventories	6,850	5,860
Contract assets	19,764	23,507
<b>Current assets</b>	<b>193,243</b>	<b>235,214</b>
Film assets	179,891	185,451
Property, plant and equipment	14,380	17,563
Right-of-use assets from leases	41,835	0
Intangible assets	385,924	388,676
Goodwill	117,430	117,329
Other financial assets	3,826	4,794
Investments in associated companies	53	54
Non-current receivables	12,231	14,743
Deferred tax assets	2,916	1,173
<b>Non-current assets</b>	<b>758,486</b>	<b>729,783</b>
<b>ASSETS</b>	<b>951,729</b>	<b>964,997</b>
Current liabilities	129,962	173,851
Financial liabilities	221,024	189,738
Lease liabilities	8,408	0
Current tax liabilities	3,360	4,288
Contract liabilities	6,368	8,131
Advance payments received	50,526	72,111
Provisions	5,226	7,856
<b>Current liabilities</b>	<b>424,874</b>	<b>455,975</b>
Non-current liabilities	167	1,958
Financial liabilities	48,344	44,348
Lease liabilities	35,319	0
Benefit plan liabilities	5,676	4,713
Deferred tax liabilities	66,090	66,664
<b>Non-current liabilities</b>	<b>155,596</b>	<b>117,683</b>
<b>Liabilities</b>	<b>580,470</b>	<b>573,658</b>
Share capital	77,400	77,400
Treasury shares	-2,120	-1,697
Reserves	26,160	61,241
<b>Equity attributable to shareholders of HLEE</b>	<b>101,440</b>	<b>136,944</b>
Non-controlling interests	269,819	254,395
<b>Equity</b>	<b>371,259</b>	<b>391,339</b>
<b>EQUITY AND LIABILITIES</b>	<b>951,729</b>	<b>964,997</b>

The notes on pages 6 – 14 are an integral part of these condensed interim consolidated financial statements.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (condensed)**

in CHF thousand	Jan. 1 - June 30, 2019	Jan. 1 - June 30, 2018
	<i>Not audited</i>	<i>Not audited</i>
Sales	235,829	241,425
Capitalized film production costs and other own work capitalized	48,884	71,127
<b>Gross profit</b>	<b>284,713</b>	<b>312,552</b>
<b>Other operating income</b>	<b>12,033</b>	<b>7,401</b>
Costs for licenses, commissions and materials	-27,183	-21,754
Costs for purchased services	-99,144	-131,092
<b>Cost of materials and licenses</b>	<b>-126,327</b>	<b>-152,846</b>
Staff costs	-83,458	-64,017
Other operating expenses	-38,039	-37,398
Amortization, depreciation and impairment	-55,600	-62,988
Impairment/reversals of impairment on financial assets	307	0
Losses/gains from the derecognition of financial assets (AC)	-3	0
<b>Operating result</b>	<b>-6,374</b>	<b>2,704</b>
Result from investments in associates	0	-372
Interest income and other financial income	2,432	1,997
Interest expense and other finance cost	-7,468	-9,049
<b>Earnings before taxes</b>	<b>-11,410</b>	<b>-4,720</b>
Current taxes	-1,855	-5,003
Deferred taxes	686	1,774
<b>Consolidated net income</b>	<b>-12,579</b>	<b>-7,949</b>
<b>Other income not reclassified to profit or loss</b>		
Gains/losses from financial assets at fair value	-3,327	1,504
Pension plan remeasurement (after taxes)	-605	875
<b>Other income reclassified to profit or loss</b>		
Currency translation differences	-574	-1,847
Gains/losses from cash flow hedges	-118	1,759
<b>Other comprehensive income including taxes</b>	<b>-4,624</b>	<b>2,291</b>
<b>Total comprehensive income</b>	<b>-17,203</b>	<b>-5,658</b>
<b>Consolidated net income attributable to:</b>		
Shareholders of Highlight Event & Entertainment AG	-5,784	-3,909
Non-controlling interests	-6,795	-4,040
<b>Total comprehensive income attributable to:</b>		
Shareholders of Highlight Event & Entertainment AG	-9,017	-2,942
Non-controlling interests	-8,186	-2,716
Basic and diluted earnings per share (CHF)	-0.68	-0.46
Weighted number of shares outstanding	8,504,618	8,548,623

The notes on pages 6 – 14 are an integral part of these condensed interim consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS (condensed)**

in CHF thousand	Note	Jan. 1 - June 30, 2019	Jan. 1 - June 30, 2018
		<i>Not audited</i>	<i>Not audited</i>
Consolidated net income		-12,579	-7,949
Deferred taxes		-686	-1,774
Income taxes		1,855	5,033
Net finance cost (without currency result)		5,243	5,039
Depreciation, amortization, and write-downs		55,601	62,988
Other non-cash income and expenses		3,256	3,165
Result from investments in associates		0	372
Interest received		107	33
Interest paid		-2,410	-8,042
Taxes received		277	1,407
Taxes paid		-3,326	-3,275
Increase (-) / decrease (+) in assets attributable to operating activities		13,696	27,831
Increase (+) / decrease (-) in liabilities attributable to operating activities		-47,359	-4,939
<b>Cash flow from operating activities</b>		<b>13,675</b>	<b>79,889</b>
Change in cash and cash equivalents due to acquisitions		0	-103,695
Acquisition of property, plant and equipment		-2,979	-4,195
Disposal of property, plant and equipment		2,782	234
Acquisition of intangible assets		-2,189	-825
Acquisition of film assets		-45,121	-78,010
Disposal of film assets		1,017	0
Disposal of shares in subsidiaries		0	12,221
Acquisition of financial assets		-1,638	-76,013
Disposal of financial assets		0	75,548
<b>Cash flow from investing activities</b>		<b>-48,128</b>	<b>-174,735</b>
Acquisition of treasury shares		-423	0
Payment for purchase of non-controlling interests		-1,207	0
Borrowing of current financial liabilities		41,558	11,212
Repayment of current financial liabilities		-8,422	-43,157
Repayment of lease liabilities		-4,396	0
Dividend payments		-1,247	-6,814
<b>Cash flow from financing activities</b>		<b>25,863</b>	<b>-38,759</b>
<b>Net change in cash and cash equivalents</b>		<b>-8,590</b>	<b>-133,635</b>
Cash and cash equivalents as of January 1		59,340	197,661
Effect of exchange rate differences		-583	-1,194
<b>Cash and cash equivalents as of June 30</b>		<b>50,167</b>	<b>62,832</b>

The notes on pages 6 – 14 are an integral part of these condensed interim consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (condensed)**

<b>Changes in equity 2019</b> in CHF thousand <i>Not audited</i>	Share capital	Advance payments for share capital	Reserves	Treasury shares	Equity attributable to shareholders of HLEE	Non-controlling interests	<b>Total equity</b>
<b>January 1, 2019</b>	<b>77,400</b>	<b>0</b>	<b>61,241</b>	<b>-1,697</b>	<b>136,944</b>	<b>254,395</b>	<b>391,339</b>
Consolidated net income Jan. 1 to June 30, 2019			-5,784		-5,784	-6,795	-12,579
Other comprehensive income Jan. 1 to June 30, 2019			-3,233		-3,233	-1,391	-4,624
<b>Total comprehensive income</b>			<b>-9,017</b>		<b>-9,017</b>	<b>-8,186</b>	<b>-17,203</b>
Acquisition of treasury shares			0	-423	-423		-423
Dividend payments			0		0	-1,247	-1,247
Change in non-controlling interests			-679		-679	-528	-1,207
Change in scope of consolidation			-25,385		-25,385	25,385	0
<b>June 30, 2019</b>	<b>77,400</b>	<b>0</b>	<b>26,160</b>	<b>-2,120</b>	<b>101,440</b>	<b>269,819</b>	<b>371,259</b>

<b>Changes in equity 2018</b> in CHF thousand <i>Not audited</i>	Share capital	Advance payments for share capital	Reserves	Treasury shares	Equity attributable to shareholders of HLEE	Non-controlling interests	<b>Total equity</b>
<b>January 1, 2018</b>	<b>77,400</b>	<b>0</b>	<b>79,186</b>	<b>-786</b>	<b>155,800</b>	<b>355,599</b>	<b>511,399</b>
Consolidated net income Jan. 1 to June 30, 2018			-3,909		-3,909	-4,040	-7,949
Other comprehensive income Jan. 1 to June 30, 2018			967		967	1,324	2,291
<b>Total comprehensive income</b>			<b>-2,942</b>		<b>-2,942</b>	<b>-2,716</b>	<b>-5,658</b>
Dividend payments			0		0	-6,814	-6,814
Change in scope of consolidation			0		0	-87,837	-87,837
<b>June 30, 2018</b>	<b>77,400</b>	<b>0</b>	<b>76,244</b>	<b>-786</b>	<b>152,858</b>	<b>258,232</b>	<b>411,090</b>

The notes on pages 6 – 14 are an integral part of these condensed interim consolidated financial statements.

**NOTES TO THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS  
as of June 30, 2019 (not audited) – Highlight Event and Entertainment AG, Pratteln**

**1. GENERAL INFORMATION ON THE GROUP**

The parent company of the Group, Highlight Event and Entertainment AG, has its registered office in Netzibodenstrasse 23b, Pratteln/Switzerland.

The Board of Directors of Highlight Event and Entertainment AG released these unaudited condensed interim consolidated financial statements for publication on August 21, 2019.

**2. ACCOUNTING POLICIES**

The unaudited condensed interim consolidated financial statements for the period from January 1 to June 30, 2019 were prepared in accordance with the International Accounting Standard on Interim Financial Reporting (IAS 34).

The condensed interim consolidated financial statements do not contain all the notes and disclosures required for the financial statements for a financial year and should be read in connection with the consolidated financial statements as of December 31, 2018 published by the company.

With the exception of the first-time adoption of new or amended standards and interpretations described in note 3, the accounting and valuation policies applied when preparing the condensed consolidated interim financial statements remained consistent with those applied in the consolidated financial statements for fiscal year 2018 (see 2018 annual report, notes to the consolidated financial statements).

The condensed interim consolidated financial statements have been prepared in Swiss francs, which is the functional and reporting currency of the Group's parent company. Amounts are stated in thousands of Swiss francs (TCHF) unless stated otherwise.

The Film and Sports segments are subject to seasonal fluctuations. The Film segment's sales depend on the respective theatrical release dates and the subsequent exploitation chain. The Sports segment generates lower sales in the summer months due to lower advertising income, which depends on broadcasting rights to sporting events. This leads to fluctuations in terms of sales and segment earnings in the quarters of the fiscal year.

In preparing the condensed interim consolidated financial statements, the management is required to make estimates and assumptions influencing the assets, liabilities and contingent liabilities reported as of the end of the reporting period and income and expenses in the reporting period (see 2018 annual report, notes to the consolidated financial statements).

**3. CHANGES TO ACCOUNTING POLICIES**

**3.1 First-time adoption of IFRS 16 "Leases"**

The IASB published the final version of IFRS 16 "Leases" in January 2016. The Standard replaces IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases – Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 provides for a single accounting model for lessees. All assets and liabilities under leases are recognized in the balance sheet unless the lease has a term of twelve months or less or the lease is for a low-value asset. The lessor still distinguishes between finance and operating leases for accounting purposes.

IFRS 16 is effective for the first time for annual periods beginning on or after January 1, 2019. The HLEE Group has chosen modified retrospective application. In accordance with IFRS 16.C7, comparative information for earlier periods is not restated. Its adoption essentially affects the leases previously classified as operating leases.

In accordance with the option provided by IFRS 16.5, short-term leases with a term of not more than twelve months (and without a purchase option) and leases for low-value assets (i.e. typically less than TEUR 5 per asset) were not accounted for in accordance with IFRS 16, but rather recognized as other operating expenses on a straight-line basis over the term of the lease. Furthermore, in accordance with IFRS 16.15, no lease classes are separated into lease and non-lease components; instead, all contract components are recognized as a lease. The Highlight Group also applied the practical expedients of IFRS 16.C3(b) and did not review contracts that were not classified as leases under IAS 17 "Leases" in conjunction with IFRIC 4 "Determining whether an Arrangement contains a Lease" according to the definition of a lease in IFRS 16. Contracts classified as leases in accordance with IAS 17 continue to be treated as such. The Highlight Group does not exercise the option provided by IFRS 16.4 for intangible assets, and still accounts for intangible assets in accordance with the principles of IAS 38.

The Group has leases for various items of plant equipment, machinery, vehicles and real estate. When adopting IFRS 16, the right-of-use asset for the lease asset was measured at the value of the lease liability, adjusted for prepaid or deferred lease payments. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The Group's weighted average incremental borrowing rate was between 0.16% and 3.23%. In accordance with IFRS 16.C10(d), the initial direct costs were not taken into account when measuring the right-of-use asset at the date of initial application.

For leases previously classified as finance leases, the carrying amount of the lease asset in accordance with IAS 17 immediately before the adoption of IFRS 16 and the carrying amount of the lease liability in accordance with IAS 17 were recognized as the initial carrying amount of the right-of-use asset and the lease liability in accordance with IFRS 16. The measurement principles of IFRS 16 are only applied thereafter.

The reconciliation of the rental and lease obligations not shown in the balance sheet as of December 31, 2018 to the lease liabilities recognized as of January 1, 2019 is as follows:

(TCHF)	Building and room rental	Vehicles	Other	Total
<b>Lease and rental obligations not shown in the statement of financial position as of December 31, 2018</b>	<b>42,043</b>	<b>1,024</b>	<b>485</b>	<b>43,552</b>
Rental and lease obligations reported under other financial liabilities as of December 31, 2018	242	-	973	1,215
Discounting	-2,811	-25	-35	-2,871
Short-term leases	-1,689	-116	-2	-1,807
Leases for low-value assets	-	-	-72	-72
Variable lease payments	-3,569	-	-	-3,569
Reasonably certain extension and termination options	5,633	-	-	5,633
Adjustments due to changes in indices impacting variable payments	612	-	-	612
Non-lease components	-769	-	-	-769
Intangible assets	-	-	-250	-250
Other	102	-16	-	86
<b>Lease liabilities due to the first-time adoption of IFRS 16 as of January 1, 2019</b>	<b>39,794</b>	<b>867</b>	<b>1,099</b>	<b>41,760</b>
Lease liabilities from finance leases as of January 1, 2019	-	-	1,164	1,164
<b>Total lease liabilities as of January 1, 2019</b>	<b>39,794</b>	<b>867</b>	<b>2,263</b>	<b>42,924</b>

The quantitative impact of the adoption of IFRS 16 on the consolidated balance sheet as of January 1, 2019 is shown by the table below:

INTERIM REPORT 2019

(TCHF)	Dec. 31, 2018	Adjustments IFRS 16	Reclassi- fication IFRS 16	Jan. 1, 2019
<b>Current assets</b>				
Cash and cash equivalents	59,340	-	-	59,340
Receivables	146,507	-	-	146,507
Contract assets	23,507	-	-	23,507
Inventories	5,860	-	-	5,860
	<b>235,214</b>	-	-	<b>235,214</b>
<b>Non-current assets</b>				
Film assets	185,451	-	-	185,451
Property, plant and equipment	17,563	-	-1,340	16,223
Right-of-use assets	-	39,902	1,340	41,242
Intangible assets	388,676	-	-	388,676
Goodwill	117,329	-	-	117,329
Other financial assets	4,794	-	-	4,794
Investments in associates	54	-	-	54
Non-current receivables	14,743	-	-	14,743
Deferred tax assets	1,173	1,112	-	2,285
	<b>729,783</b>	<b>41,014</b>	-	<b>770,797</b>
<b>Assets</b>	<b>964,997</b>	<b>41,014</b>	-	<b>1,006,011</b>
<b>Current liabilities</b>				
Current liabilities	173,851	-70	-	173,781
Contract liabilities	8,131	-	-	8,131
Financial liabilities	189,738	-	-230	189,508
Lease liabilities	-	7,436	230	7,666
Current tax liabilities	4,288	-	-	4,288
Advance payments received	72,111	-	-	72,111
Provisions	7,856	-	-	7,856
	<b>455,975</b>	<b>7,366</b>	-	<b>463,341</b>
<b>Non-current liabilities</b>				
Non-current liabilities	1,958	-1,788	-	170
Financial liabilities	44,348	-	-934	43,414
Lease liabilities	-	34,324	934	35,258
Benefit plan liabilities	4,713	-	-	4,713
Deferred tax liabilities	66,664	1,112	-	67,776
	<b>117,683</b>	<b>33,648</b>	-	<b>151,331</b>
<b>Equity</b>				
Share capital	77,400	-	-	77,400
Treasury shares	-1,697	-	-	-1,697
Reserves	61,241	-	-	61,241
<b>Equity attributable to shareholders of HLEE</b>	<b>136,944</b>	-	-	<b>136,944</b>
Non-controlling interests	254,395	-	-	254,395
	<b>391,339</b>	-	-	<b>391,339</b>
<b>Equity and liabilities</b>	<b>964,997</b>	<b>41,014</b>	-	<b>1,006,011</b>



There were no onerous leases as of the adoption date of IFRS 16, hence there was no impairment on right-of-use assets.

The difference between the right-of-use assets from leases and the current and non-current lease liabilities of TCHF 1,858 relates to corrections of deferred lease liabilities from the adoption of IFRS 16.

The adoption of IFRS 16 "Leases" also requires additional disclosures in the notes. The HLEE Group will present these in full for the first time in the consolidated financial statements as of December 31, 2019.

### 3.2 Summary of new accounting policies for leases

#### Lease liabilities

At the inception of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the term of the lease. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option that the Group can exercise with reasonable certainty and the payments of penalties for terminating the lease early if the Group exercises the option. Variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

If it is not practicable to determine the interest rate implicit in the lease, the Group uses the incremental borrowing rate at the inception of the lease to calculate the present value of the lease payments. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

After the inception of the lease, the amount of the lease liability is increased by the interest accreted and reduced by the lease payments made. Furthermore, the carrying amount of the lease liabilities is remeasured if there is a change in the term of the lease, a change in the significant fixed lease payments or a change in the acquisition-date value of the lease asset.

#### Right-of-use assets

The Group recognizes right-of-use assets at the inception of the lease, i.e. when the underlying asset is available for use. Right-of-use assets are measured at cost less cumulative depreciation and impairment and adjusted for the remeasurement of lease liabilities. The cost of a right-of-use asset comprises the amount of the lease liabilities recognized, the initially incurred direct costs and the lease payments made at or before the inception of the lease, less any lease incentives received. If the Group is not reasonably certain that it will acquire ownership of the lease asset at the end of the lease term, the capitalized right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

## 4. CHANGES IN JUDGMENT/ESTIMATION UNCERTAINTY

#### Leases

The Group determines the lease term as the non-cancellable lease term and all periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and all periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. The Group assesses whether it is reasonably certain to exercise the extension option at its own discretion. This means that management takes into account all relevant factors that create an economic incentive to extend the lease. After the inception of the lease, the Group reassesses the term of the lease when a material event or change in circumstances (such as a change in business strategy) occurs within the Group's control and affects its ability to exercise or not exercise the option.

In the initial measurement of the lease liability and the right-of-use asset from the sale/leaseback transaction for the PLAZAMEDIA GmbH broadcasting center, it was deemed reasonably certain that the purchase option would be exercised on termination of the lease. Accordingly, the right-of-use asset is written down over its economic life, which is longer than the fixed duration of the lease.

## 5. CHANGES IN SCOPE OF CONSOLIDATION

In the first quarter of 2019, the Group company Highlight Communications AG increased its shareholding in Constantin Medien AG, which was already fully consolidated, from 79.18% to 79.44%. This is a transaction between equity providers. The shareholding in Highlight Communications AG was increased from 44.72% to 44.90% at a price of TCHF 680 in the first quarter.

The shareholding in Chameleo AG was reduced from 90% to 80% in the second quarter of 2019. A 100% equity investment in HLEE Finance S.à r.l. was acquired at a price of TCHF 17 in the second quarter of 2019. The assets transferred at fair value comprise receivables of TCHF 7, offset by liabilities assumed at fair value of TCHF 4. The company is in the development phase and is not yet operational.

The shareholding in Comosa AG was increased from 51% to 90% on June 17, 2019.

## 6. NOTES ON SELECTED ITEMS OF THE STATEMENT OF FINANCIAL POSITION AND THE INCOME STATEMENT

### 6.1 Film assets

As of June 30, 2019, film assets decreased by TCHF 5,560 compared to December 31, 2018. In-house productions rose by TCHF 3,260, while third-party productions declined by a total of TCHF 8,820. This reduction was essentially due to higher amortization and impairment on film assets than investment.

### 6.2 Other financial assets

Sport1 GmbH acquired 5.56% of the shares in AGF Videoforschung GmbH at a price of TCHF 518 in mid-March 2019. The purchase price was paid in cash.

Sport1 GmbH acquired 10% of the shares in Summacum GmbH on June 28, 2019. The purchase price was paid in the form of a cash contribution of TCHF 3 and a media-for-equity contribution of TCHF 333.

The new equity investments are irrevocably recognized at fair value through other comprehensive income (FVTOCI).

The equity investments in AGF Videoforschung GmbH and Summacum GmbH are assigned to level 3 of the fair value hierarchy. They are strategic financial investments of Constantin Medien AG.

### 6.3 Contract assets

The carrying amount of contract assets declined from TCHF 23,507 to TCHF 19,764.

### 6.4 Cash and cash equivalents

Cash and cash equivalents declined from TCHF 59,340 to TCHF 50,167 as of June 30, 2019. Financing activities resulted in a cash inflow of TCHF 25,863, primarily as a result of the borrowing of current financial liabilities. The Group's investing activities used cash of TCHF 48,128, which was essentially due to payments for film assets. Operating activities generated a positive cash flow of TCHF 13,675.

### 6.5 Equity

The Group company Highlight Communications AG acquired 0.23% of the shares in Highlight Event and Entertainment AG at a price of TCHF 423 in the first quarter of 2019. The purchase price was paid in cash. These shares are reported in the consolidated financial statements of the HLEE Group as treasury shares.

The increase in the equity investments in Constantin Medien AG from 79.18% to 79.44% and in Highlight Communications AG from 44.72% to 44.90% shown in equity led to a reduction in capital reserves of TCHF 679 and a reduction in non-controlling interests of TCHF 528.

The change in scope of consolidation results from the increase of the shareholding in Comosa AG.

The remeasurement of pension obligations led to a drop in retained earnings of TCHF 605 on account of the reduction in the discount rate in particular.

### 6.6 Lease liabilities

PLAZAMEDIA GmbH entered into a sale/leaseback agreement for the storage system on January 28, 2019. The sale price is TEUR 408 and the net monthly lease payment is TEUR 7. The lease term is 60 months. In this context, Constantin Medien AG assumed a directly enforceable guarantee for all liabilities of PLAZAMEDIA GmbH arising from the agreement. The guarantee is perpetual and is capped at TEUR 563.

PLAZAMEDIA GmbH entered into a sale/leaseback agreement for part of the new broadcast center on January 30, 2019. The sale price is TEUR 3,537 and the net monthly lease payment is TEUR 63. The lease term is 60 months. In this context, Constantin Medien AG assumed a directly enforceable guarantee for all liabilities of PLAZAMEDIA GmbH arising from the agreement. The guarantee is perpetual and is capped at TEUR 4,930. This lease contains a purchase option (TEUR 177) to buy back assets after the end of the lease. It is reasonably certain that the option will be exercised.

### 6.7 Contract liabilities

The carrying amount of contract liabilities declined from TCHF 8,131 to TCHF 6,368.

## 6.8 Amortization, depreciation and impairment

(TCHF)	Jan. 1 to June 30, 2019	Jan. 1 to June 30, 2018
Scheduled amortization on film assets	43,740	56,047
Scheduled amortization on intangible assets	3,205	2,278
Scheduled depreciation on property, plant and equipment	2,526	1,431
Scheduled amortization/depreciation on right-of-use assets	4,102	-
<b>Scheduled amortization/depreciation</b>	<b>53,573</b>	<b>59,756</b>
Impairment on film assets	2,027	3,232
<b>Impairment</b>	<b>2,027</b>	<b>3,232</b>

## 6.9 Financial result

### Financial income

(TCHF)	Jan. 1 to June 30, 2019	Jan. 1 to June 30, 2018
Interest and similar income	28	29
Gains from changes in the fair value of financial instruments	1,088	558
Currency exchange gains	1,316	1,410
<b>Total</b>	<b>2,432</b>	<b>1,997</b>

### Finance cost

(TCHF)	Jan. 1 to June 30, 2019	Jan. 1 to June 30, 2018
Interest and similar expenses	5,057	4,879
Losses from changes in the fair value of financial instruments	805	302
Currency exchange losses	1,205	3,868
Interest expenses from lease liabilities	401	-
<b>Total</b>	<b>7,468</b>	<b>9,049</b>

## 7. DIVIDEND PAYMENTS

The reason for the reduction in dividend payments is the proposed dividend by the Group company Highlight Communications AG, which was approved by the Annual General Meeting and distributed after July 1, 2019.

## 8. DISCLOSURES ON FINANCIAL RISK MANAGEMENT

### 8.1 Fair value of financial assets and liabilities

The table below shows the allocation of financial assets and liabilities measured at fair value to the three levels of the fair value hierarchy:

## INTERIM REPORT 2019

### Fair value hierarchy

June 30, 2019 (TCHF)		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>					
	FVTPL/no category		1,226		1,226
Derivative financial instruments					
Financial assets (equity instruments)	FVTOCI	498	2,457	871	3,826
<b>Financial liabilities measured at fair value</b>					
Financial liabilities with hedging relationships	AC		366		366
Derivative financial instruments	FLTPL		956		956
Financial liabilities	FLTPL			73	73
December 31, 2018 (TCHF)		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>					
	FVTPL/no category		1,290		1,290
Derivative financial instruments		-		-	
Financial assets (equity instruments)	FVTOCI	2,328	2,457	9	4,794
<b>Financial liabilities measured at fair value</b>					
Financial liabilities with hedging relationships	AC	-	223	-	223
Derivative financial instruments	FLTPL	-	1,485	-	1,485
Financial liabilities	FLTPL	-	-	74	74

AC: *Financial assets at amortized cost*

FVTOCI: *Financial assets at fair value through OCI*

FVTPL: *Financial assets at fair value through profit or loss*

FLTPL: *Financial liabilities at fair value through profit or loss*

The financial assets measured at fair value and included in level 1 are measured using market prices.

The derivative financial instruments in level 2 are measured at current market rates. A discounted cash flow method was used to determine the fair value of level 2 derivative financial instruments.

The preference shares assigned to level 3 of the fair value hierarchy and the shares in Geenee Inc. had already been written down in full in previous years. There were no indications of a reversal of impairment in the reporting period. The fair values of the equity investments in AGF Videoforschung GmbH and Summacum GmbH are their respective purchase prices (adjusted for currency effects) as they were acquired in the first half of 2019. For reasons of materiality, other non-current equity instruments totaling TCHF 9 (December 31, 2018: TCHF 9) are recognized at historical cost. There was an earn-out liability of TCHF 73 (December 31, 2018: TCHF 74) recognized as a level 3 financial instrument as of the end of the reporting period. Deviations from the planning of Hager Moss Film GmbH would not give rise to any material changes to this earn-out liability.

There were no reclassifications between the individual levels of the fair value hierarchy. They are reclassified quarterly in each reporting period if circumstances requiring a different classification arise.

### 8.2 Financial assets and liabilities at amortized cost

Given the short remaining term, the carrying amounts of current financial receivables and liabilities as of the end of the reporting period are approximately the fair value. Non-current receivables are discounted according to their remaining term. Their carrying amounts are therefore also approximately their fair value.

### 8.3 Fair value of non-financial assets and liabilities

As of June 30, 2019 or December 31, 2018, there were no non-financial assets or liabilities measured at fair value.

## 9. SEGMENT REPORTING

### Segment information Jan. 1 to June 30, 2019

(TCHF)	Film	Sports- and Event- Marketing	Sports	Event Marketing	Other	Recon- ciliation	Group
External sales	140,852	32,876	60,229	1,680	192	-	235,829
Intragroup sales	56	-	-	-	-	-56	-
<b>Total sales</b>	<b>140,908</b>	<b>32,876</b>	<b>60,229</b>	<b>1,680</b>	<b>192</b>	<b>-56</b>	<b>235,829</b>
Other segment income	52,414	67	4,811	6	3,744	-125	60,917
Segment expenses	-195,869	-16,782	-83,861	-1,292	-5,738	422	-303,120
<i>of which amortization, depreciation</i>	-45,804	-641	-7,126	-2	-	-	-53,573
<i>of which impairment</i>	-2,027	-	-	-	-	-	-2,027
<b>Segment earnings</b>	<b>-2,547</b>	<b>16,161</b>	<b>-18,821</b>	<b>394</b>	<b>-1,802</b>	<b>241</b>	<b>-6,374</b>
<b>Time reference of sales</b>							
Over time	66,099	-	24,430	-	-	-	90,529
Point in time	74,753	32,876	35,799	1,680	192	-	145,300
	<b>140,852</b>	<b>32,876</b>	<b>60,229</b>	<b>1,680</b>	<b>192</b>	<b>-</b>	<b>235,829</b>
<b>Sales by product</b>							
Film	74,753	-	-	-	-	-	74,753
Production services	66,099	-	-	-	-	-	66,099
Sports- and Event-Marketing	-	32,876	-	-	-	-	32,876
Platform	-	-	45,620	-	-	-	45,620
Services	-	-	14,609	1,680	192	-	16,481
	<b>140,852</b>	<b>32,876</b>	<b>60,229</b>	<b>1,680</b>	<b>192</b>	<b>-</b>	<b>235,829</b>

### Segment information Jan. 1 to June 30, 2018

(TCHF)	Film	Sports- and Event- Marketing	Sports	Event Marketing	Other	Recon- ciliation	Group
External sales	147,227	30,031	62,259	1,908	-	-	241,425
Intragroup sales	-	-	51	-	-	-51	-
<b>Total sales</b>	<b>147,227</b>	<b>30,031</b>	<b>62,310</b>	<b>1,908</b>	<b>-</b>	<b>-51</b>	<b>241,425</b>
Other segment income	75,332	225	2,036	7	1,069	-141	78,528
Segment expenses	-219,313	-15,406	-76,842	-1,081	-4,856	249	-317,249
<i>of which amortization, depreciation</i>	-56,578	-236	-2,939	-3	-	-	-59,756
<i>of which impairment</i>	-3,232	-	-	-	-	-	-3,232
<b>Segment earnings</b>	<b>3,246</b>	<b>14,850</b>	<b>-12,496</b>	<b>834</b>	<b>-3,787</b>	<b>57</b>	<b>2,704</b>
<b>Time reference of sales</b>							
Over time	44,489	-	15,971	-	-	-	60,460
Point in time	102,738	30,031	46,288	1,908	-	-	180,965
	<b>147,227</b>	<b>30,031</b>	<b>62,259</b>	<b>1,908</b>	<b>-</b>	<b>-</b>	<b>241,425</b>
<b>Sales by product</b>							
Film	102,738	-	-	-	-	-	102,738
Production services	44,489	-	-	-	-	-	44,489
Sports- and Event-Marketing	-	30,031	-	-	-	-	30,031
Platform	-	-	31,542	-	-	-	31,542
Services	-	-	30,717	1,908	-	-	32,625
	<b>147,227</b>	<b>30,031</b>	<b>62,259</b>	<b>1,908</b>	<b>-</b>	<b>-</b>	<b>241,425</b>

The elimination of inter-segment transactions is reported in the "Reconciliation" column.

## 10. FINANCIAL COMMITMENTS, CONTINGENT LIABILITIES AND OTHER UNRECOGNIZED FINANCIAL OBLIGATIONS

Compared to the consolidated financial statements as of December 31, 2018, financial commitments, contingent liabilities and other unrecognized financial obligations decreased by TCHF 67,145 to TCHF 131,879 as of June 30, 2019 on account of the adoption of IFRS 16 in particular.

## 11. RELATED PARTY DISCLOSURES

As part of its normal business activities, the company maintains relations with associates, the major shareholder and its subsidiaries in addition to companies controlled by members of the Board of Directors.

<b>Related party disclosures</b>		
(TCHF)	June 30, 2019	Dec. 31, 2018
Receivables	-	-
Liabilities	58	59
Current financial liabilities Obotritia Capital KGAA	4,997	5,068
Current financial liabilities Studhalter Investment AG	28,888	30,249
Non-current financial liabilities Studhalter Investment AG	33,310	35,110
Non-current financial liabilities Obotritia Capital KGAA	9,993	10,137
(TCHF)	Jan. 1 to June 30, 2019	Jan. 1 to June 30, 2018
Sales and other income	-	-
Cost of materials and licenses and other expenses	26	88
Financial expenses loan Obotritia Capital KGAA	304	316
Financial expenses loan Studhalter Investment AG	1,611	1,782

The financial liabilities of Studhalter Investment AG bear interest at 5% and those of Obotritia Capital KGAA at 6%.

Related parties include the members of the Board of Directors, the members of Group management and their relatives.

## 12. EVENTS AFTER THE END OF THE REPORTING PERIOD

Constantin Television GmbH and lüthje schneider hörl Film OHG founded Lüthje Schneider Film GmbH with share capital of EUR 25,000 on July 4, 2019. Constantin Television GmbH holds an interest of 51% in the company. By way of shareholder resolution, the company was renamed "PSSST! Film GmbH" at the end of July.