Alchimie
Société par actions simplifiée[1] with a share capital of €3,500,000.00
Registered office: 43-45 avenue Victor Hugo, Le Parc des Portes de Paris, Bâtiment 264
93300 Aubervilliers
Registration number: 420 919 904 RCS Bobigny

REGISTRATION DOCUMENT

(Specific registration document as defined in Article 15 of Regulation (EU) 2017/1129 on the "EU Growth Prospectus", the content of which has been prepared in accordance with the terms of Annex 24 to Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 on the form and content of the prospectus)

The registration document was approved on 23 October 2020 by the AMF, which is the competent authority in respect of Regulation (EU) 2017/1129.

The AMF approved this document after verifying that the information it contains is complete, consistent and comprehensible. The registration document is approved under number: I. 20 – 028.

Such approval should not be construed as a favourable opinion of the issuer subject of this registration document.

The registration document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if accompanied by a securities note and, where applicable, a summary and any supplement to the registration document. The whole is approved by the AMF in accordance with regulation (EU) 2017/1129.

It is valid until 23 October 2021. In accordance with Articles 10 and 23 of regulation (EU) 2017/1129, it must be completed by a supplement during that period and at the latest at the same time as the securities note should new significant factors or material errors or inaccuracies occur.

DISCLAIMER

By accepting this document, you acknowledge, and agree to be bound by, the following statements. This document is a translation of the Alchimie's *document d'enregistrement* dated 23 October 2020 (the "Registration Document"). The Registration Document, in its original French version, is publicly available at www.amf-france.org. This translation (the "Translation") is provided for your convenience only and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published in whole or in part for any purpose. This translation has not been prepared for use in

[1] The Company will adopt the legal form of *société anonyme* on the date the Autorité des Marchés Financiers approves the prospectus prepared in connection with the admission of the Company's shares to trading on Euronext Growth Paris.

connection with any offering of securities. It does not contain all of the information that an offering document would contain.

IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN THE CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED HEREIN, THE FRENCH LANGUAGE REGISTRATION DOCUMENT SHALL PREVAIL.

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This document is available free of charge from the Company's registered office, and can be downloaded from the websites of the AMF (www.amf-france.org) and the Company (www.alchimie.com).

CONTENTS

General information

Unless otherwise indicated, the capitalised terms and expressions in this registration document shall have the following meanings:

- "Registration Document" means this registration document;
- The "Company" or "Alchimie" means the company Alchimie, registered office at 43-45 avenue Victor Hugo, Le Parc des Portes de Paris, Bâtiment 264, 93300 Aubervilliers, registered in the Bobigny trade and companies register under number 420 919 90;
- "Aspin Management" means the company Aspin Management, registered office at 43-45 avenue Victor Hugo, Le Parc des Portes de Paris, Bâtiment 264, 93300 Aubervilliers, registered in the Bobigny trade and companies register under number 803 179 696;
- "Iseran Management" means the company Iseran Management, registered office at 242 rue de Rivoli, 75001 Paris, registered in the Paris trade and companies register under number 814 088 696;
- "Group" means the group of companies comprising the Company, Aspin Management and their respective subsidiaries;
- "Retained Legacy Business" means the business of media audience monetisation (mainly games contests) and the sale of football match tickets via premium rate telephone numbers, operated by Alchimie GmbH (formerly Cellfish GmbH);
- "Transferred Legacy Business" means the KKO and Snack Games mobile personalisation services operated by the Company in France and the UK.

The Registration Document describes the Group as it will be after the reorganisation described in Section 2.3.2.

In order to provide accounting data that reflects the Group's financial position, the Registration Document includes the following financial statements:

- Aspin Management's condensed consolidated financial statements for the six month interim periods ended 30 June 2020 and 30 June 2019, prepared in accordance with IAS 34 "Interim Financial Reporting", part of the International Financial Reporting Standards published by the IASB, as adopted by the European Union;
- Aspin Management's consolidated financial statements for the twelve month periods ended 31 December 2019 and 31 December 2018, prepared in accordance with IFRS as adopted by the European Union;
- the Company's unaudited consolidated pro forma financial statements for the six-month interim period ended 30 June 2020 and the twelve-month periods ended 31 December 2019 and 31 December 2018.

Information about the market and the competition

The Registration Document contains information about the Group's markets and its competitive position, particularly in Section 2.2 "*Business environment*". This information has been obtained mainly from reports published by external sources. The publicly available information, which the Company considers to be reliable, has not been verified by an independent expert and the

Company cannot guarantee that a third party using different methods for compiling, analysing or calculating market data would obtain the same results.

Forward-looking statements

The Registration Document contains information about the Group's prospects and development strategy. Such information is sometimes identified by the use of the future tense, the conditional mood or forward-looking terms such as “consider”, “envisage”, “think”, “aim”, “expect”, “intend”, “should”, “have the ambition of”, "estimate", “believe”, “wish”, “could”, or the negative forms of the same terms as the case may be, or any other variant or similar terminology. This information does not constitute historical facts and must not be construed as warranting that the anticipated events and data mentioned will actually materialise. The information is based on data, assumptions and estimates that the Company considers reasonable. It is liable to change or be altered due to uncertainties concerning the economic, financial, competitive and regulatory environment. The information is mentioned in various sections of the Registration Document and includes data relating to the Group’s intentions, estimates and objectives concerning, in particular, its markets, strategy, growth, results, financial position, cash position and forecasts. The forward-looking information in the Registration Document is provided only at the date of the Registration Document. The Group operates in a continuously evolving competitive environment. It cannot therefore anticipate all risks, uncertainties or other factors that may affect its business activity, their potential impact on its business activity or the extent to which the materialisation of a risk or combination of risks could produce results significantly different from those mentioned in any forward-looking information, inasmuch as none of that forward-looking information is a guarantee of actual results.

Risk factors

Investors are invited to read carefully the risk factors presented in Section 3 “*Risk factors*” of this Registration Document before making any investment decision. If some or all of these risks were to occur, that could have a material adverse impact on the Company's activities, financial position, results or outlook. In addition, other risks not yet identified or not considered material by the Company at the date of the Registration Document could also have a material adverse impact.

Rounding

Certain figures (including the financial data) and percentages in this Registration Document have been rounded. The totals presented may therefore differ slightly from those which would have been obtained by adding together the non-rounded values of those figures, as the case may be.

Websites and hypertext links

References to websites and the content of hypertext links do not form part of this Registration Document.

1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

1.1 Person responsible for the Registration Document

Nicolas d'Hueppe, legal manager of Iseran Management, which is chair of Aspin Management, itself chair of the Company.

1.2 Statement by the person responsible

I hereby certify that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Aubervilliers
23 October 2020

Nicolas d'Hueppe
Legal Manager, Iseran Management

1.3 Experts' reports and material interests

None.

1.4 THIRD-PARTY INFORMATION

Some information contained in this Registration Document has been obtained from reports and statistics published by external bodies, professional organisations or figures published by competitors of the Group. The sources of all external information are provided in the footnotes to this Registration Document. The Company confirms that such information, which it considers to be reliable, has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published of provided by those sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

1.5 Approval of the Registration Document

This Registration Document has been approved by the Autorité des Marchés Financiers ("AMF"), which is the competent authority in respect of regulation (EU) 2017/1129.

The AMF has only approved this Registration Document to the extent that it complies with the standards of completeness, comprehensibility and consistency required by regulation (EU) 2017/1129.

That approval should not be construed as a favourable opinion of the issuer subject of the Registration Document.

The Registration Document has been prepared as part of an EU Growth Prospectus in accordance with Article 15 of Regulation (EU) 2017/1129.

2. STRATEGY, PERFORMANCE AND BUSINESS ENVIRONMENT

2.1 Information about the Company

2.1.1 Legal and commercial name of the Company

The Company's legal and commercial name is Alchimie.

2.1.2 Place of registration and registration number

The Company is registered in the Bobigny trade and companies register under number 420 919 904.

Its legal entity identifier (LEI) is 969500YPEOPKYEM69510.

2.1.3 Date and term of incorporation

The Company was incorporated on 30 October 1998 for a term of 99 years as of the date of registration in the trade and companies register, i.e. until 20 November 2097, unless extended or wound up early.

2.1.4 Registered office, legal form, legislation governing the business

At the date of this Registration Document, the Company is a *société par actions simplifiée* governed by French law and in respect of its operating activities is mainly subject to Articles L. 225-1 *et seq*. of the French Commercial Code by reference in its Article L. 227-1.

A general meeting of the Company's shareholders will be held prior to the AMF's approval of the prospectus related to the admission of the Company's shares to trading on Euronext Growth Paris (the "Prospectus") to approve the Company's conversion into a *société anonyme* and to amend the Articles of Association accordingly with effect from the date of that general meeting.

The Company's registered office is at 43-45 avenue Victor Hugo, Le Parc des Portes de Paris, Bâtiment 264, 93300 Aubervilliers.

Its contact details are as follows:

Telephone: +33 (0) 7 72 34 56 44

E-mail: contact@alchimie.com

Website: www.alchimie.com

The information on the Company's website does not form part of the Registration Document.

2.1.5 Material changes in the Company's funding structure since the end of the six-month interim financial period ended 30 June 2020

See section 2.5.6.2.2 "Financial Liabilities" of the Registration Document.

2.1.6 Description of the expected financing of the Company's activities

See section 3.5.1 "Liquidity Risk" of the Registration Document.

2.2 Business environment

2.2.1 The television revolution

In the past few years, there has been a profound revolution in the TV and video market driven by powerful technological and social trends that have swept through the entire world.

2.2.1.1 Video is now the new digital norm

Video is the most used online media worldwide. According to Cisco, video accounted for more than 75% of all IP network traffic in 2019.[2] IP video traffic has risen fourfold in the last four years and, at the date of the Registration Document, the trend showed no sign of slowing over the coming years. Social media and streaming, information and video collaboration services are now predominantly video-centric.

The progressive roll-out of fibre for landline networks, as well as 4G and soon 5G for mobile networks, is significantly increasing capacity, enabling video to be increasingly consumed with better quality, almost instantaneous download and unlimited mobility.

The quality of the latest generation of smartphones with bigger screens, better definition and more robust batteries is accelerating these trends in consumption.

Telecoms operators have supported this revolution by proposing contracts at ever more affordable prices, giving users enough gigabytes of mobile data for hours of video viewing and unlimited data for landline contracts. This development has been particularly marked in France. In other European countries, it has been supported by the availability of free Wi-Fi in public places, further stimulating the consumption of video.

In 2019, time spent on the Internet and mobile apps has eaten into the time spent watching TV, with more than 2 1/2 hours per day.[3] In January 2020, 90% of Internet users aged between 16 and 64 watched videos on a broad range of Internet-enabled devices (tablets, smartphones, desktops and laptops, and Smart TV) provided by traditional TV services and by subscription-based, transactional and ad-supported video on demand (VoD) services.[4]

The information, education, entertainment, advertising and many other industries have all been exposed to this revolution and must adapt by finding new ways to exploit these opportunities. Digital video is becoming a new powerful way to entertain, learn, exchange, meet and share. The coronavirus lockdown highlighted the extent to which video, in all its forms from videoconferencing to subscription-based VoD services, has become an essential and fundamental part of an increasingly digital world.

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[2] Source: https://newsroom.cisco.com/press-release-content?type=webcontent&articleId=1644203
[3] Source: https://www.zenithmedia.com/consumers-will-spend-800-hours-using-mobile-internet-devices-this-year/
[4] Source: https://wearesocial.com/blog/2020/01/digital-2020-3-8-billion-people-use-social-media

2.2.1.2 New habits are transforming the value chain

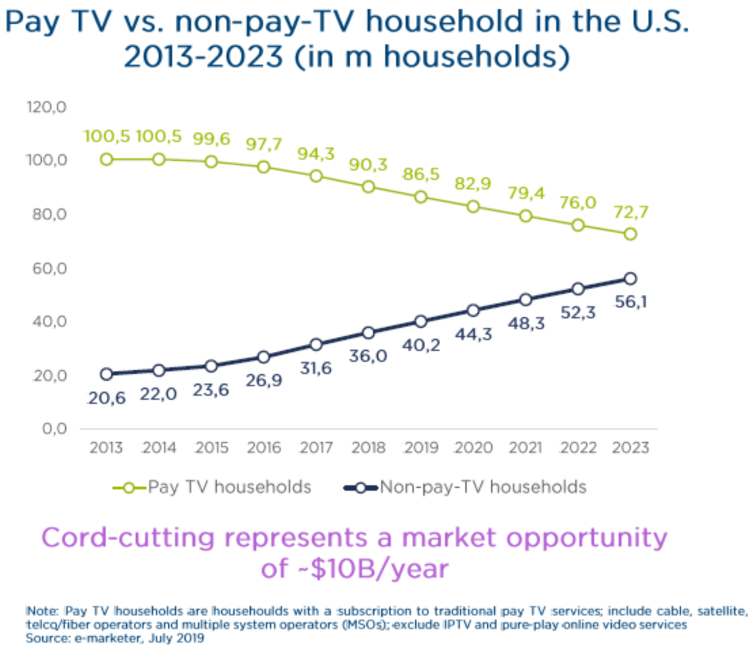
Consumers are adapting quickly to these transformations and new ways of consuming content and are keen to benefit from the growing array of entertainment available at highly competitive prices.

They may therefore give up their one historic TV provider with its limited content and an often high annual cost. These 'cord-cutters' as they are known are cancelling their historic annual subscription with an ISP or telecoms operator providing bundled Internet access, TV channels, telephone and other services in favour of a single Internet-based service at a lower price. With the savings they make, they can buy a box (Android TV, Apple TV, Roku, etc.) for TV viewing and add subscriptions to VoD services, such as Netflix, Amazon Prime, Disney+, etc.

The disaggregation of content and hardware has thus paved the way for the development of Over the Top television (OTT), which operates on all platforms via subscription to a website.

This freedom of consumption is also being driven by on-demand services, where the consumer no longer has to wait for a specific time or day to watch a particular documentary or series. The traditional 24/7 linear TV programming is gradually giving way to consumption on demand, thus driving down viewership for historic linear TV operators in favour of new services offering an experience combining original content, efficient intuitive interfaces and low prices with no lock-in period.

At the date of the Registration Document, according to Digital TV Research[5] the gross number of Subscription Video on Demand (SVoD) subscriptions increased by 28% or 139 million in 2019, to reach 642 million subscriptions. The net number of subscribers (after churn) increased by 55 million (16%) in 2019 to 403 million. Gross subscriptions are therefore increasing more rapidly than net subscribers, which means that the average SVoD subscriber paid for 1.59 subscriptions in 2019 versus 1.44 in 2018.



** The above chart is taken from studies conducted at the beginning of 2020 before the lockdown measures imposed to prevent the spread of Covid-19.*

The several million homes that cut the cord each year offer a commercial opportunity estimated by the Group at about $10 billion a year.[6] In addition, the Group believes that lockdown accentuated the cord-cutting trend. The 10 leading US providers of premium TV services in number of subscribers lost an aggregate of 2.3 million subscribers between January and March 2020 according to the Informity Multiscreen Index.[7]

Pay TV requires the user to pay for a service, which may be traditional cable TV or IPTV (Internet Protocol Television) providing catch up TV services and pay VoD services. This revolution in pay TV, a global market estimated at more than $190 million in 2019,[8] is therefore attracting many operators seeking a place in this new market. The legacy TV operators are the first to react in order to protect the positions they have built up over the years. Furthermore, the major players in new technologies are investing massively to extend their influence in a highly profitable sector where creativity is required to promote and sell their smartphones, smart TVs or telecoms packages.

This battle between operators, who are not afraid to invest large sums of money in all links of the value chain (content production, technology, mass distribution), is disrupting an entire industry and in some activities even pushing the historic leaders down to the rank of outsiders in their own sector.

2.2.1.3 'Content is king' and thematic opportunities

Content has become the new battleground for all the major operators, who are not afraid to invest large sums of money in order to achieve their ambitions. Many production firms have been acquired for their shows and intellectual property libraries. Competition for premium and exclusive content has become more intense, enabling content creators to capture a growing share of the value by exploiting the current competition effect.

The drop in traditional TV audiences is plunging them into a vicious circle. By monetising a smaller audience, their revenue is dropping and they have to cut the cost of their content through more careful selection or by reducing the production budget to preserve their margins. This merely reduces the attractiveness of their programme schedules and drives viewership down further, to the extent that attractive, original and exclusive alternatives are emerging at the same time.

Behind the battle between the major operators for top premium libraries, opportunities are growing for all the thematic content dropped by them. Digital technology has pulled down all the industry's barriers to entry and it is now possible to launch SVoD channels for a few thousand euros compared with the tens of millions of euros required for 24/7 satellite broadcast. For example, motocross fans can now have a channel entirely dedicated to their sport. They no longer have to subscribe to a bundle of channels to obtain access to a channel that is forced to

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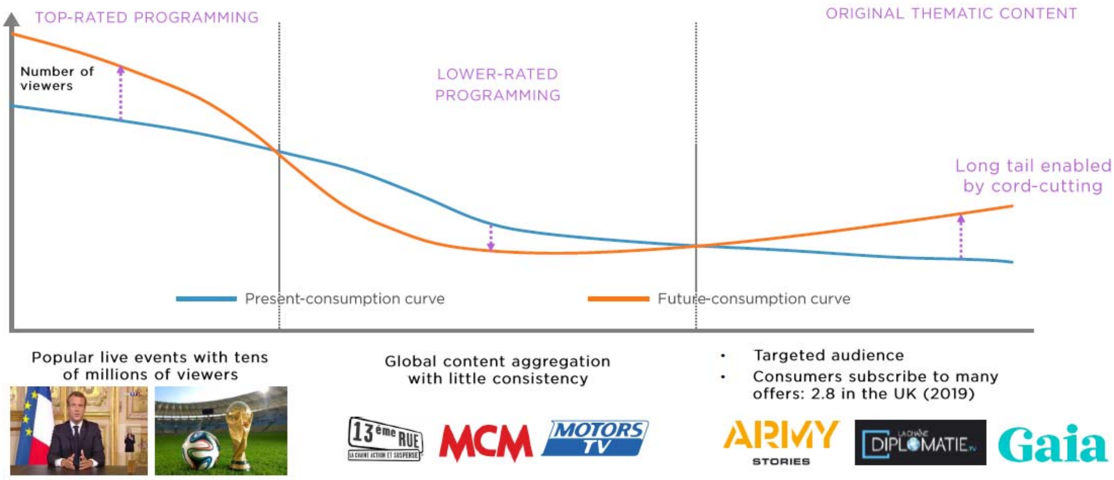
[5] Source: Digital TV Research, Global SVOD Forecasts, 2020 edition
[6] Source: https://nocable.org/learn/cable-tv-cord-cutting-statistics/
[7] Source: Informitv Multiscreen Index: Television Subscribed numbers at the end of March 2020 for the 10 leading pay-TV services in the US
[8] Source: Digital TV Research, Global SVOD Forecasts, 2020 edition

cover all motor sports in order to acquire sufficient subscribers to cover the fixed costs of traditional TV.



The long-tail thematic TV channels have thus become an unlimited opportunity for all fans and enthusiasts, people committed to causes, those seeking knowledge, etc. It is now possible to build a package in tune with their expectations with high quality content at a competitive price.

Long-tail is an expression that was originally used to describe a phenomenon in online sales. In a physical store about 20% of products produce about 80% of revenue while in e-commerce, basic catalogue products generally sell in small quantities but in the aggregate, the revenue from those sales exceeds the revenue from the more popular products. In the video market, long-tail means that thematic or niche audience content may in the aggregate generate as large a viewership and revenue as blockbuster premium content through the capacity of digital channels to distribute such niche content very widely.

2.2.2 The online video content distribution market

2.2.2.1 A market with growth prospects

According to a Digital TV Research report, in 2019 the pay TV market was worth \$192 billion in a \$500 billion audiovisual market including revenue from linear TV, non-linear TV and online advertising.[9]

The online multimedia content distribution market comprises all operators offering audio or video content on Internet platforms. This content is made available to users through four different models: (i) SVoD, (ii) AVoD (Advertising Video on Demand), (iii) TVoD (Transactional Video on Demand), and (iv) EST (Electronic Sell Through), i.e. payment of a one-time fee to download a media file for storage on a hard drive.

According to a study conducted in March and April 2020 by Reelgood, a video on demand hub providing access to the content libraries of all the major operators, a comparison of all streaming

[9] Source: IDATE DigiWorld – Global audiovisual market – December 2018.

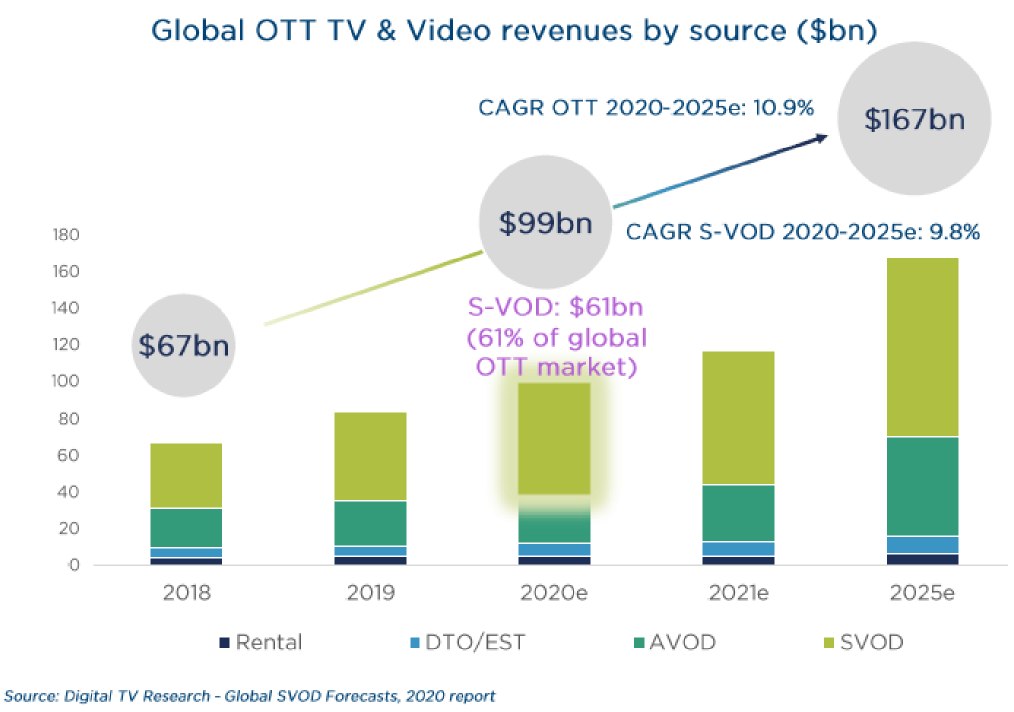
services puts SVoD (with 44.5% of content viewed) ahead of AVoD (28.6%) and TVoD/EST (9.8%).[10]

The number of devices in a household capable of playing video content is growing continuously. In September 2020, 90% of French households had at least one such device (smartphone, tablet, computer, smart TV).[11] Subscriptions to video on demand could therefore double from 2018 to 2023. In 2018, the SVoD penetration rate was between 12% and 70% among the 16-64 age group in Europe and the United States. It is expected to rise to between 23% and 90% of that population in 2023.[12]

Alongside this trend, the number of subscriptions per household is also growing. According to Digital TV Research, households subscribing for SVoD services will pay for 3.28 services by 2025 versus 2.28 in 2019.[13] The online video market is therefore expected to grow rapidly in the coming years. This growth will not be captured entirely by the main sector players but also by new entrants offering specialist content attracting an ever larger number of users.

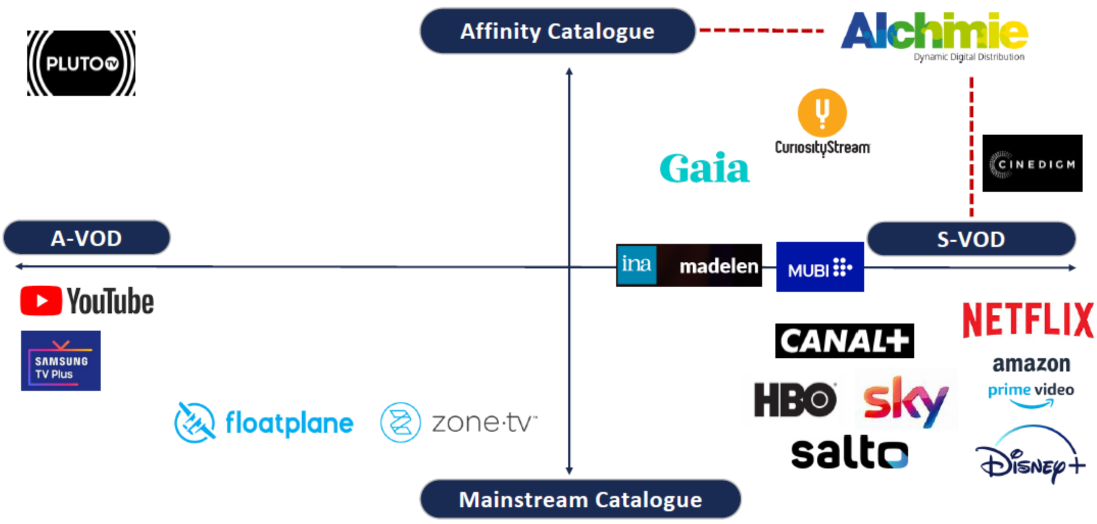
Thus, the Digital TV Research study estimates that the global online multimedia content distribution market will be worth $167 billion in 2025, an increase of 67% versus 2020. In 2020, SVoD accounted for $61 billion of that market, including $41 billion in Europe and the United States.[14] The global SVoD market is expected to reach $98 billion by 2025 according to the Digital TV Research study.

Annual growth in OTT (which comprises multimedia content distribution services other than the ISP) and SVoD between 2019 and 2025 is estimated as follows by Digital TV Research.



2.2.2.2 Competitive environment

The diagram below shows the main operators providing online video content, classified by sales model (SVoD, AVoD) and the type of content provided (general or thematic).



Main general content platforms:

Platforms	CANAL+ SERIES	NETFLIX	salto	tv	amazon Prime	HBO max	Disney+	hulu
Cost of monthly subscription (from)	€6.99	7.99	€7	€4.99	€4.08	$19.99	€6.99	$5.99
Subscriber base	1 million	193 million	N/A	>30 million	150 million	>4 million	50 million	>28 million

The current and future SVoD giants are generalist platforms and are, in order of revenue generated: **Netflix**, the leader in subscription services which launched its online video on demand business in 2007, **Amazon Prime Video**, launched by the Amazon Group in December 2016, **Disney+**, the Disney Group's streaming service launched in November 2019, and **Apple TV**, a streaming service launched in November 2019.

[10] Source: https://blog.reelgood.com/svod-and-avod-streaming-service-performance-during-social-distancing
[11] Source: https://www.cbnews.fr/etudes/image-svod-distance-pay-tv-npa-54336
[12] Source: https://www.spglobal.com/marketintelligence/en/news-insights/research/european-subscription-online-video-5-year-outlook
[13] Source: Digital TV Research, Global SVOD Forecasts, 2020 edition
[14] Source: https://www.zdnet.fr/blogs/digital-home-revolution/la-svod-a-l-assaut-de-l-europe-39889821.htm

Main specialist content platforms:

Platforms	Alchimie	Gaia	Cinedigm	CuriosityStream	MUBI
Cost of monthly subscription	€4.99	€11.99	$4.99	$2.99 (standard subscription) $9.99 (premium subscription)	€9.99
Subscriber base	Almost 300,000	>500,000	2.4 million active visitors 102,000 active subscribers	13 million	9 million
Content	Thematic channels and content creators' videos	Meditation, yoga, movies and pseudo-scientific documentaries	Movies and episodes of TV series	Documentary series on science, nature, history, technology, society and lifestyle	Art house, foreign and classic cinema

Growth in SVoD should also benefit the new players providing original and/or specialist content enabling them to stand out in this market, including some operators similar to the Group such as Gaia, Cinedigm, CuriosityStream and Mubi.

2.2.3 The Group's business

2.2.3.1 Background

At the end of 2015, Nicola d'Hueppe joined forces with HLD, an investment company financed mainly by the Decaux, De Agostini and Norbert Dentressangle families, as well as Claude Bébéar and Jean-Pierre Mustier, to acquire Cellfish from Lagardère and the Canadian funds Desjardins, FTQ (Quebec's largest central labour body) and the Caisse des Dépôts du Québec. Cellfish was involved in various mobile activities and it also distributed games, music and videos for smartphones. As of 2015, Nicolas d'Hueppe steered the company towards OTT, using the technological, digital and marketing expertise of the historic business to develop a new platform for aggregating content and providing channels. The Company was renamed Alchimie in 2016.

The Group developed a novel business model based on revenue sharing with rights owners, with no minimum guaranteed payments, and agreements with telecoms operators to distribute linear and library-based channels. Its business encompassed content curation, marketing, providing content to telecoms operators, streaming, etc.

In 2018, the Group signed agreements with Arte in France and ZDF Entreprises in Germany to monetise their documentary libraries through the Group's channel "Humanity", available on Humanity.tv and the T-Mobile, EE, Orange, SFR and Vodafone platforms.

In 2019, it extended its partnership with Mediawan to distribute nine linear channels including AB3, RTL9 and ACTION on the Watch-It app, enabling subscribers to watch and re-watch videos on demand via a catch up service. It also launched a channel called "Army Stories" with production company Memento. In October 2019, the Group acquired UK OTT provider TVPlayer giving it a foothold for development in the UK market. TVPlayer generated £5 million of revenue in 2019 with 50,000 subscribers and 2.6 million registered users, providing more than 100 free and pay channels.

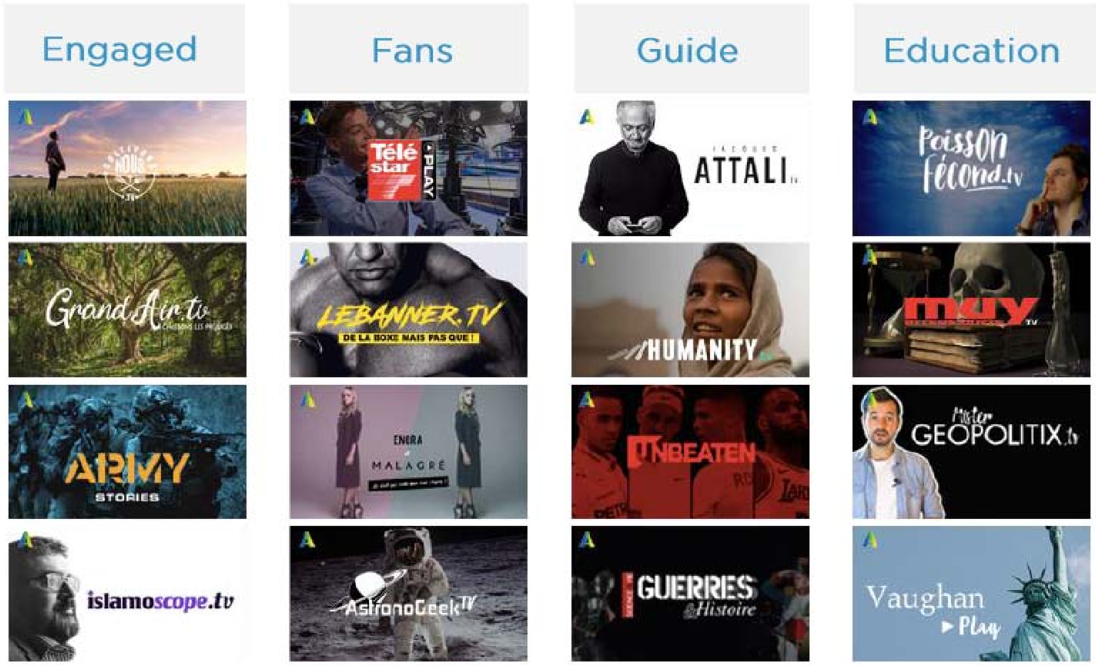
In 2020, the Group signed a partnership with Reworld Media to co-publish channels based on Reworld Media's magazines: *Guerres & Histoires TV*, *Nous Deux TV* and *Télé Star Play.* It also launched the *Cultivons-nous TV* channel with Guillaume Canet and Edouard Bergeon. It signed a partnership with Spanish media group Zinet Media to co-publish the *Muy Interesante TV* channel based on the magazine of the same name. It also rolled out TVPlayer in Spain with over 30 channels including 14 channels within the free service and 13 more within the pay service, including *Muy Interesante TV* (Zinet Media), *Espacio Misterio TV* (Prisma Publicaciones, Planeta Group) and Vaughan Play (Vaughan Group). In September 2020, the Group launched TVPlayer in France to harmonise its brands and progressively replace Watch-It. In parallel, it signed a distribution agreement with Huawei to include TVPlayer in the video app pre-installed on all Huawei smartphones and tablets.

2.2.3.2 Business overview

Nicolas d'Hueppe launched Alchimie in 2016 to leverage the opportunity offered by cord-cutting coupled with the long-tail nature of thematic video content. He aggregated a major content library and developed a distribution platform for original and exclusive thematic SVoD channels published by third parties or co-published with talents (celebrities and influencers) and media groups, based on the SVoD model. The key differentiating feature of the Group's model is that revenue is shared with the rights owners rather than on a minimum guaranteed payment basis.

By developing this large thematic content library, at the end of 2019 the Group evolved its SVoD distribution model away from third-party publishers such as Mediawan towards the co-publishing of channels with talents and media groups.

Thus, since the end of 2019, media groups (Reworld Media, Prisma Media, Zinet Media and Areion Group), celebrities (Jacques Attali, Guillaume Canet and Jérôme Le Banner), influencers (Poisson Fécond, Astronogeek and Doktor Whatson) and brands (Armée and Vaughan) have launched SVoD channels using the Group's rights library to build their editorial offering supported by its technology and distribution network. They also promote the services and acquire subscribers through their presence on social media (LinkedIn, Facebook, Instagram, YouTube, Tiktok, etc.).



Thanks to the quality of its content library and the notoriety of the talents and media groups it works with, the Group has already published 55 SVoD channels and is currently launching one new channel per week. At the date of the Registration Document, the Group had a subscriber base of almost 300,000 subscribers versus 188,000 at 31 December 2019 and 90,000 at 31 December 2018. Furthermore, based on new customers in the period tested, ARPU12 (as defined in Section 5.4 of the Registration Document) amounted to €28 at 31 December 2018 and €25 at 31 December 2019.

Since 2017, the Group has aggregated a library of 60,000 hours of rights from more than 300 rights owners, including Arte, France TV distribution, ZDF Enterprises, Zed, Java and TVOnly. It mostly has SVoD rights exploitation licences granted by rights owners but also on occasion AVoD licences, with a business model based exclusively on revenue sharing. The Group sticks to these types of rights and does not seek to acquire linear broadcasting rights for example. This large library empowers talents and media groups to quickly and effectively curate content and launch their channel with less risk.

In parallel, the Group has entered into distribution agreements with more than 60 distribution platforms seeking original content to monetise their traffic and generate revenue. Partners include Orange France, Orange Spain, EE, T-Mobile, Huawei, Amazon Channels, Apple and Samsung.

Thanks to its large-scale channel platform, the Group can support operators of all sizes to launch these original offerings and build up a unique library of SVoD channels. The Group has succeeded in carving out a position between the extremely fragmented world of rights owners and that of the distribution platforms providing an increasingly diversified video content, enabling the two worlds to work together by publishing original and exclusive thematic SVoD channels. This model, which already exists in the music and video games world, is a first in the video and TV world. The Group therefore considers itself to be a pioneer in this field and aims to capitalise on its 'first mover' advantage.

2.2.3.3 Alchimie Channels

The Group distributes channels which it co-publishes as well as third party channels either directly or on demand, such as AB1, France 24, Euronews and TV5 in France, TVE1, Antena3, La Sexta and TeleMadrid in Spain, and BBC One, ITV, Channel 4 and Channel 5 in the UK.

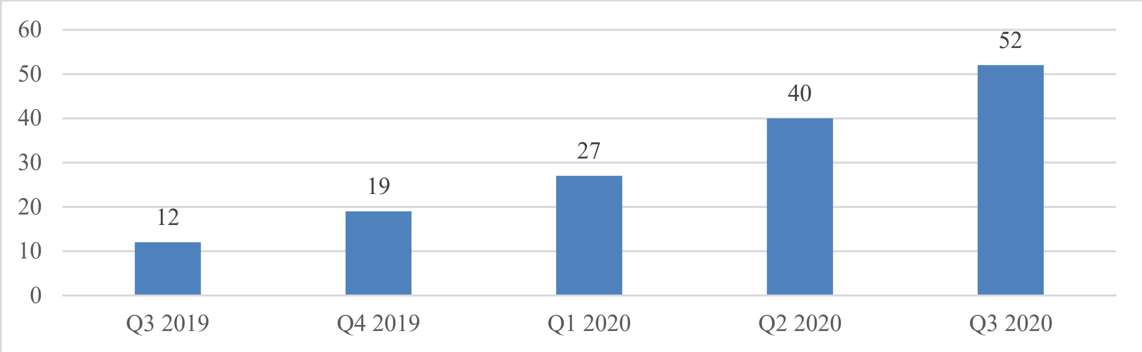
The Group's international development model was initially based on third-party channels (linear channels published by third parties and distributed by TVPlayer) but has progressively evolved towards a service comprising mostly channels co-published by the Group (SVoD channels produced with talents and media groups).

At the date of the Registration Document, the Group co-published 55 channels in France, Spain, the UK and Germany.

The table below presents the main channels co-published by the Group:

Category	**Channels (.TV)**	**Talents/media groups**	**Main promotion media**	**Country**
YouTubers	Poisson Fécond	Brice Chris Conte-Ydier	YouTube	France
YouTubers	MisterGeopolitix	Gildas Leprince	YouTube	France
YouTubers	Astronogeek	Arnaud Thiry	YouTube	France
YouTubers	Mister Watson	Mister Watson	YouTube	Germany
Celebrities and influencers	Cultivons-Nous	Guillaume Canet/Edouard Bergeon	Facebook	France
Celebrities and influencers	Jacques Attali	Jacques Attali	LinkedIn	France
Celebrities and influencers	LeBanner	Jérôme Le Banner	Facebook	France
Celebrities and influencers	Islamoscope	Mohamed Sifaoui	Twitter	France
Celebrities and influencers	Grand Air	Thierry Coste	Facebook & press	France
Celebrities and influencers	Doctor Karan	Doctor Karan	Tiktok	UK
Media groups	Guerres et Histoires	Reworld Media	Press	France
Media groups	Nous Deux	Reworld Media	Press	France
Media groups	Télé Star Play	Reworld Media	Press	France
Media groups	Raids	Histoire & Collections	Press	France
Media groups	Histoire & Collections	Histoire & Collections	Press	France
Media groups	La chaîne Diplomatie	Areion Group	Press	France
Media groups	The Big Issue	The Big Issue	Press	UK
Media groups	Muy Interesante	Zinet Media	Press	Spain
Media groups	Espacio Misterio	Prisma Media	Press	Spain
Media groups	Objectivo bienestar	Prisma Media	Press	Spain
Production company	InterieurTV	Alchimie/TVOnly	Internet	France
Production company	Think	Alchimie/ZED	Internet	France
Production company	Okidoki	Alchimie/Millimages	Internet	France
Production company	Unbeaten	Alchimie/Inverleigh	Internet	UK/USA
Production company	Think	Alchimie/ZED	Internet	UK/USA
Production company	The Titanic Channel	Alchimie/Titanic Channel	Internet	USA
Institution	Army Stories	Alchimie/Army	Internet	France
Education	Vaughan Play	Vaughan Group	Internet	Spain

The diagram below shows trends in the number of co-published channels.



Thematic SVoD channels are systematically co-published with a talent or media group that contributes its brand, editorial positioning and viewership. These partners may be press groups seeking to diversify ways of selling their magazines, online content creators seeking to diversify their revenue and reduce their reliance on a platform, celebrities seeking visibility for a social cause, talents or media groups seeking to monetize their viewership, or mass consumer brands wishing to communicate differently. For example, Reworld Media has co-published three channels with the Group – *Guerres & Histoires*, *Nous Deux* and *Télé Star Play*, the latter offering two hours of in-house production per week in addition to Group content.

The Group provides its talents and media groups with an original, complete technological solution through Alchimie Studios. Unlike operators that have attempted to launch a service by leasing the technology without having an appropriate content, the Group offers access to a proprietary technology over which it has full control coupled with content for multiple thematic channels. The Group's integrated solution empowers talents and media groups to select the videos they wish to offer on a channel and to add their own productions if they wish. This approach is innovative in a world where the acquisition of rights always involves a firm purchase of content with minimum guaranteed payments. It is made possible by the revenue sharing agreements, which provide huge flexibility in building new offers.

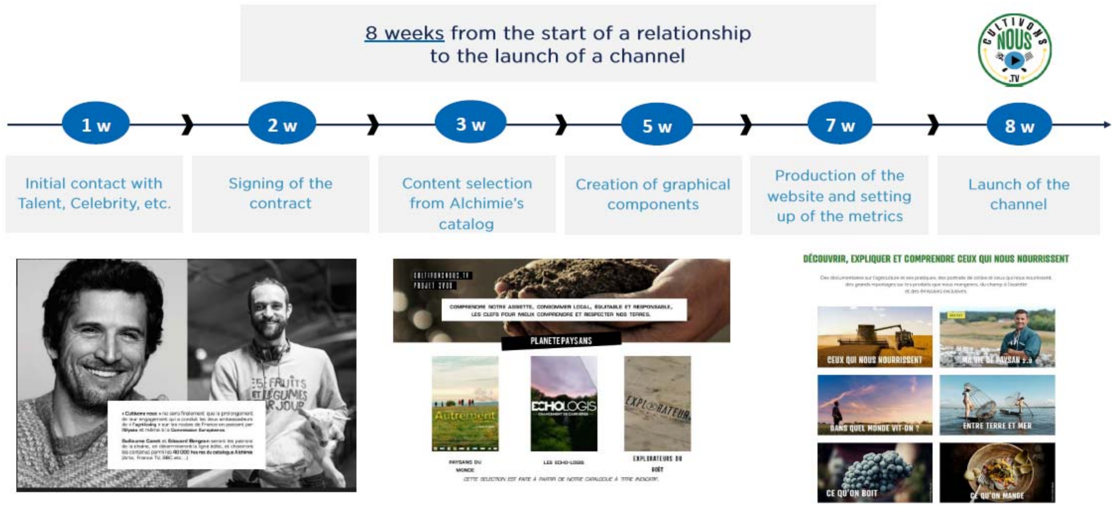
No payment is made for content available on the Group's channel platform but not used in the production of a channel proposed by the Group. Furthermore, talents or media groups that produce their own content receive the rights owner's royalty as well as the fee due to the talent or media group (two separate contracts). The talents and media groups enter into a co-publishing agreement for the channel with the Group. They are entirely responsible for publication management and editorial choices. However, the risk is limited as all videos proposed must pass through the Group's channel platform before being streamed and are validated beforehand. So a talent or media group cannot publish a video in the service independently of the Group.

Talents and media groups commit for terms ranging from 1 to 3 years, renewable automatically unless specifically terminated. They do not have any formal exclusivity agreement but it is very difficult for a channel to run two services in parallel with the same value proposition.

Depending on their subscriber potential, talents and media groups benefit from more or less personalised treatment. Those with the potential to generate a large number of subscribers, and therefore revenue, may be eligible for premium support from one of the Group's talent managers.

Those with less potential have to manage their channel themselves using the Alchimie Studio interface, through which they can select their content and promotional features, and monitor the channel's statistics.

The Group's aim is to launch a large number of thematic SVoD channels with an average subscriber base of 5,000 per channel, in order to build one of the largest libraries in this segment. The Group has implemented a commercial process with numerous marketing tools to achieve that objective. On average, contracts are signed with talents and media groups 2 to 3 months after the first contact. The channel is generally launched 1 to 2 months after signing the contract.



On average, a channel comprises 50 hours of available content refreshed at a rate of 10% to 15% every month. At the date of the Registration Document, consumption stood at about 4 hours per month per subscriber across all the SVoD channels launched.

Some SVoD channels are forced to shut down if they are not successful enough or the talent or media group is not sufficiently committed to promoting the channel. To avoid a negative return on investment, the agreements require the talent or media group to make a minimum number of social media posts or media mentions to promote the service and reduce the Group's risk. The talent or media group is not required to make any upfront investment other than in the time spent on curating the content and on the launch marketing plan. However, the Group may bill the talent or media group for expenses when there are very specific ergonomic or functionality requirements that are not platform-standard.

The criteria for selecting talents and media groups are based mainly on their editorial credibility and power to influence, as well as their community's engagement rate. The existing rights library must also be capable of immediately providing the basis for a new channel. Some themes or requests may be too selective or too specific. The Group may therefore decline an opportunity if the amount of work required is too great or there is a risk that it cannot handle the editorial oversight.

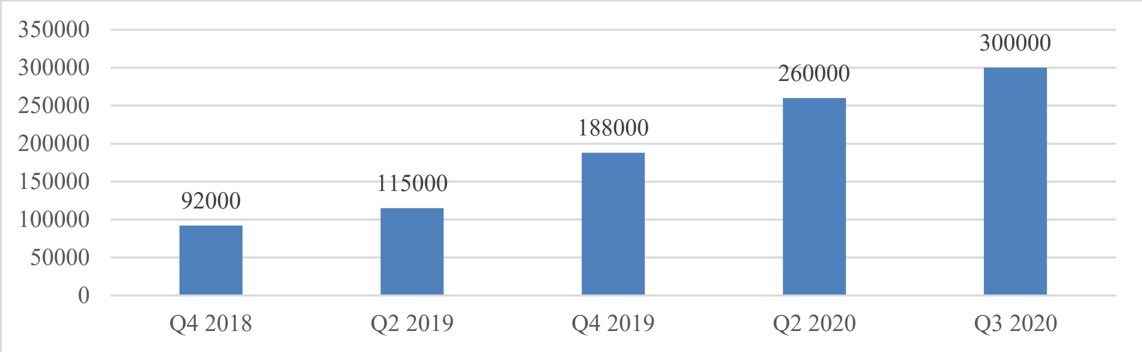
The Group prefers to work with influential people that have a small but highly responsive and engaged viewership rather than the reverse. The conversion rate and loyalty largely depend on the level of engagement.

A new channel cannot be launched unless it is first signed off by the Group's internal editorial committee. A channel cannot be created outside of this process, which gives access to the Group's channel platform.

2.2.3.4 Subscriber base

At the date of the Registration Document, the Group had a subscriber base of almost 300,000 subscribers.

The diagram below shows trends in the subscriber base.



Alchimie's subscriber profile varies according to the channel and talent thematic. The viewership of some channels such as YouTubers comprises mainly millennials while that of magazines or celebrities may have an average age of more than 40. The issues addressed have a considerable influence on subscriber acquisition. On the other hand, subscribers are all connected, that is they have the tools to access the digital world and experience in using them, with telecoms packages providing access to high-speed broadband, and knowledge of what available SVoD packages.

Subscribers are seeking a unique and original offering. Whether they are committed to a social cause like *Cultivons-nous*, the leading chain in the agricultural world, fans of a celebrity such as Jérôme LeBanner, interested in Jacques Attali's vision of the world, whose documentaries illustrate broad social trends, or seeking out knowledge proposed by the Poisson Fécond channel, they are all looking for meaningful video content curation that makes them want to watch topics they would not otherwise see. These brands play the role of editorial influencer.

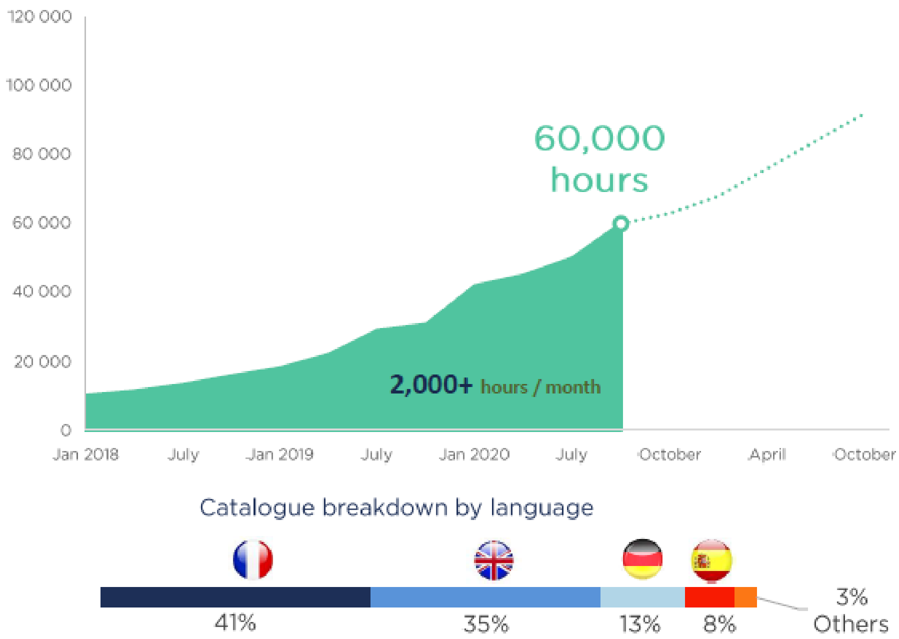
The subscriber profile determines usage and churn. Experience shows that for channels with a young viewership, churn can be higher (above 10%) if the selling price is too high. Cohort behaviour analysis for some channels (cohorts are groups of users sharing a common characteristic whose behaviour is monitored over a period of time) can be used to adjust the selling price down if necessary to reduce churn quickly. Usage is not the only parameter of churn. Some channels address upper socio-economic or older profiles, which may have a lower churn (3%) with consumption of just one hour per subscriber per month.

2.2.3.5 Alchimie Rights

The rights library aggregated by the Group stood at 60,000 hours at the date of this Registration Document. Agreements are entered into with the distribution platforms of major media groups and independent distributors, as well as directly with producers. More than 300 agreements have already been signed with companies of all nationalities in order to create an international library.

<u>Selection of rights owners that have signed an agreement with Alchimie</u>

Trends in the rights library and breakdown by language



The four main languages available are French, which represents 41% of the library, English (35%), German (13%) and Spanish (8%), which represent the priority geographical areas for development. The library comprises a vast array of themes (nature, current affairs, travel, history, science, automotive, lifestyle, military, environment, animals, hunting, astronomy, etc.). All content is produced by professionals and has been broadcast on premium TV channels worldwide. Many videos have won awards at international competitions such as the Albert Londres prize.

The rights granted to the Group are non-exclusive for SVoD and AVoD except for high potential sub-titled or dubbed programmes, for which the Group generally tries to negotiate an exclusive distribution agreement. They are all based on a revenue-sharing model and there are no minimum guaranteed payments. This model is a pre-requisite for entering into a business relationship with the Group. The rights take the form a one-year contracts renewable automatically unless specifically terminated. They always cover the most countries possible, subject to any rights already granted. The rights owner can remove content from the library that has been sold to another player such as a traditional TV channel, and withdraw it from the channel platform.

The Group attends all the major international video trade shows such as MIPCOM, MIPTV, NAPTE and Sunny Side, giving it the opportunity to meet with all operators in the sector and obtain new agreements.

The Group represents an opportunity to monetise existing libraries, for which traditional distribution channels are becoming scarcer. Traditional TV companies are having to cut their programming budgets and prefer to focus their investment on top premium content. Rights producers and distributors are therefore suffering a drop in revenue. Digital technology is a new source of growth which is very hard for those operators to address. Only a very few of them have managed to sell titles to Netflix or Amazon Prime. For the others, experience in launching YouTube channels or start-ups often end in financial and operational failure because advertising revenues are uncertain and digital broadcasting requires technological and digital marketing skills. The Group thus intends to become a partner that can provide distribution access to a large number of operators throughout the world.

The 60,000-hour rights library is the result of the substantial work done on pre-sales and building up a relationship of trust. Rights owners generally place a strong focus on the quality of the partners with whom they sign agreements. Since its creation, the Group has fostered relationships with the main rights owners of thematic content and has succeeded in convincing the large international rights owners such as Arte, ZDF Entreprises and BBC to open up their libraries with an original value proposition based on revenue sharing with no minimum guaranteed payments. These relationships have been built up over time. Once convinced, the rights owners generally provide a small selection of content to start with in order to check the Group's ability to monetise their content and validate the model's relevance. Once this stage has been completed, the Group's aim is to deploy all of the rights owner's addressable content and thus increase its library. Through agreements with new rights owners and obtaining the full library of existing rights owners, the Group intends to enrich its rights library by adding about 2,000 of additional content per month.

The rights owners receive monthly royalty statements showing consumption of their rights across all of the Group's thematic channels.

At the date of the Registration Document, the Group did not produce videos itself. It may assist media group or talents to produce videos for their channel but only in an advisory capacity. In the medium-term, control over subscribers and consumption data for certain channels could enable the Group to invest in specific subjects, while reducing the risk as far as possible. In this case, the Group would want to have control over the SVoD rights in France and internationally.

2.2.3.6 Alchimie Distribution

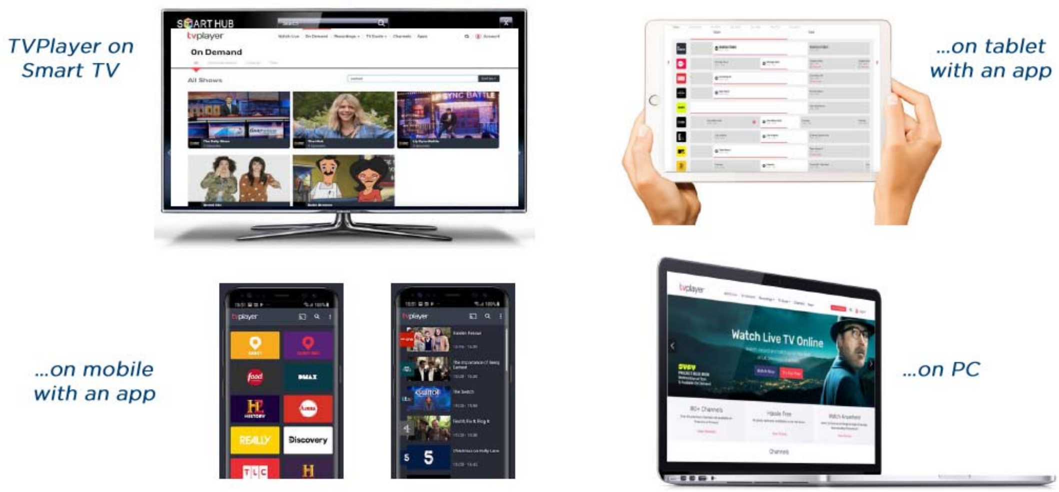
To distribute its library of SVoD channels, the Group has developed a strategy that takes into account the current diversity of video consumption methods. Consumers connect differently to the service depending on the device they use, their operator, network, location, time of day and payment means. Digital has thus caused the video distribution market to fragment.

The thematic channels published (SVoD channels for which the Group creates the brand) or co-published by the Group are available either on a stand-alone basis or on a bundled basis on the Group's app, TVPlayer, or distributed by third-party distribution platforms such as those of the telecoms operators.

Bundled service

Initially developed under the name "Watch-It", the Group's app TVPlayer, which it acquired in the UK in September 2019, has been available in France, Spain and the United States since September 2020. TVPlayer, which can be downloaded from Apple Store, Google Play and Amazon Store, enables subscribers to watch a bouquet of several channels. In France, for example, some twenty channels are already available on the app, including Télé Star Play, Army Stories, Cultivons-nous, Jacques Attali, Humanity, Poisson Fécond, LeBanner, Guerres & Histoires, Nous Deux, MisterGeopolitix, Astronogeek, La Chaîne Diplomatie, AB1 and France 24. Watch-It subscribers are gradually being moved over to TVPlayer. The Group intends to capitalise on TVPlayer's brand awareness and technology to roll out its service on a global basis.

The app covers third-party and co-published SVoD channels in the relevant language. The subscription is in the form of a bouquet, priced at €9.99 a month on average for a bouquet of several dozen channels. Consumers thus benefit from a reduction in the price per channel. The subscription can also be paid on a weekly basis at an indicative price of €2.99. In all cases, there is no minimum lock-in period and the subscription can be cancelled at any time. Any month already paid will run to its term.



For the TVPlayer service, the Group selects channels from its library which it publishes or co-publishes. It may supplement them with other SVoD channels on the market to build a bouquet of SVoD and linear channels that suits the consumer or is in line with the distribution platform's demand.

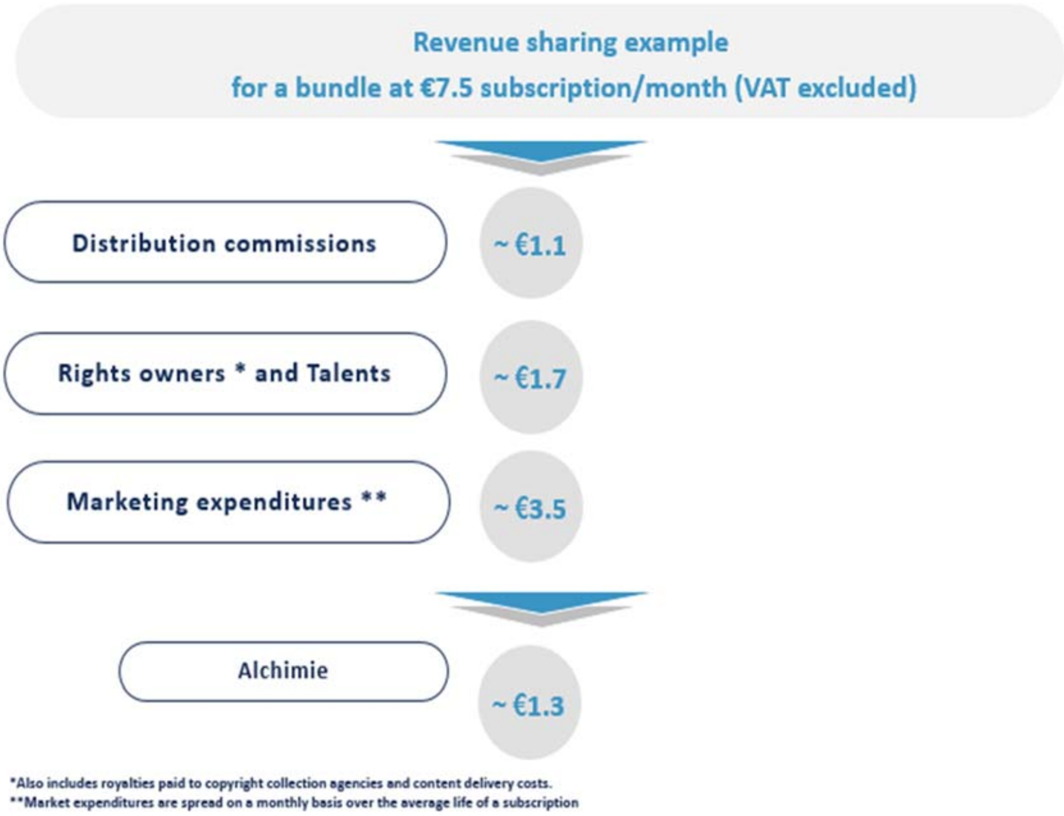
TVPlayer was historically available in the UK and in September 2020 was launched in France, Spain and the United States, with the support of a local partner in the latter case.

In addition, the Group has entered into many partnerships to continuously improve the visibility of its TVPlayer bouquet as well as its stand-alone SVoD channels. This distribution network comprised some sixty first class operators at the date of the Registration Document. They include telecoms operators (Vodafone, Orange, Bouygues Télécom, T-Mobile and Movistar), mobile device manufacturers (Huawei, Xiaomi, Apple and Amazon File), smart TV manufacturers (Samsung and LG), digital platforms (Amazon Channels and Google) and set top box manufacturers (Netgem).

These agreements enable the Group to address a vast number of potential subscribers. The partners have a captive traffic through the sale of their devices or phone contracts. They are seeking content offers to monetise this traffic and differentiate themselves.

The agreements with the Group are annual and renewable automatically unless specifically terminated. The business model is based on revenue sharing. When the monthly or weekly subscription is billed, the distribution platforms keep between 10% and 40% of the revenue, with an average of 20%. This revenue share remunerates them for the provision of a recurring payment method, collection of amounts due and the contribution of traffic as applicable.

The revenue-sharing model between the Group, distribution platforms, rights owners and talents or media groups for bundled services is illustrated in the diagram below. This breakdown, given for indicative purposes, varies according to subscription type, proportion of talent or media group channels included in the bundle, promotion by the distribution platforms, whether via Apple Store, Google Play, Amazon, telecoms operators' portals or directly via a telecoms operator, as well as the marketing expenditures incurred by the Group to acquire new subscribers.



As regards agreements with telecoms operators, the Group may sometimes be required to act through intermediary companies known as 'facilitators', which are service providers to the operators and manage the connections to their billing system. In this case, the Group's agreements are with the facilitators and it receives the revenue share from them. However, the operator remains the decision-maker and oversees the entire activity.

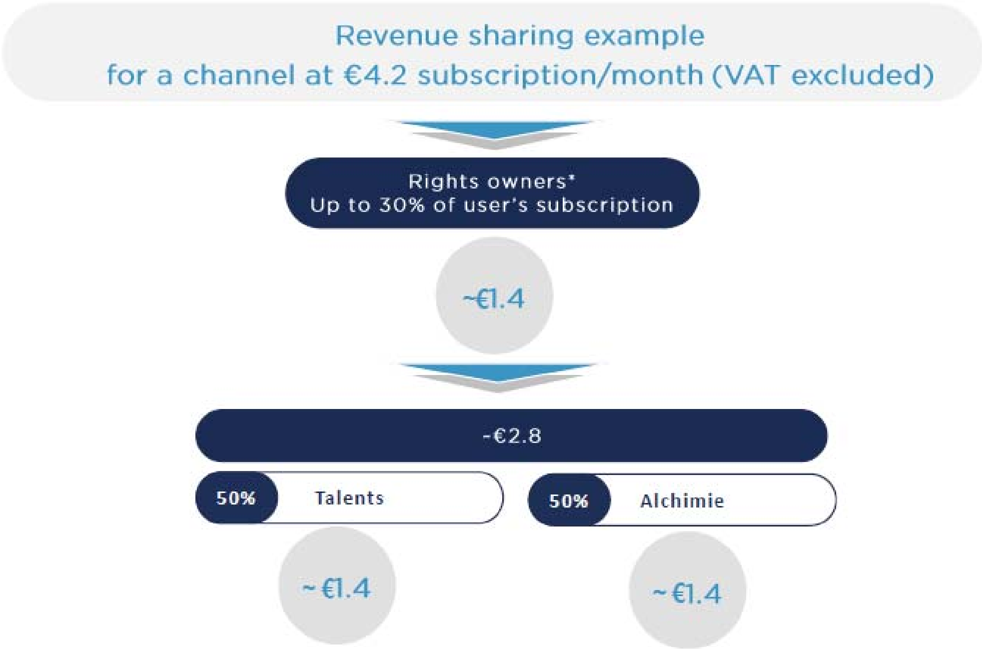
Stand-alone service

The stand-alone service can be used to view a channel through a dedicated ".tv" site accessible from a computer or in a form adapted to tablets and smartphones. Thanks to the channel platform developed by Alchimie Studio, a new channel can be quickly published within a few days. In this case, direct payment methods such as bank card or PayPal are preferred. These channels are distributed directly, i.e. not intermediated. The average price of a subscription to a stand-alone service is €4.99 a month.

Revenue sharing between the Group and the talents or media groups is based on the following principle (after deduction of the distribution platforms' share as described in Section 2.2.3.6 of the Registration Document):

- Up to 30% of the channel's subscriber revenue before VAT is allocated to the content pool, which is the amount that will be paid to the various rights owners of the videos included in the channel (i.e., the owners of the rights to the content proposed by the Group), allocated in proportion to the viewership of each one. The content pool also includes all royalties paid to copyright collection agencies such as the SACEM and SACD in France and their foreign equivalents.

- The remaining balance after allocation to the content pool is then divided between the Group and the talent or media group, with a maximum of 50% going to the talent or media group.



** Including copyright collection and distribution agencies.*

Subscription to a channel via the dedicated website (.tv) costs €4.99 including VAT per month. After allocation to the content pool, the talent or media group and the Group share about €2.80 per subscriber per month. For a channel with 10,000 subscribers, a talent or media group can therefore generate up to €14,000 of recurring monthly revenue, i.e. up to €168,000 per year. By way of comparison, a YouTube channel receiving €500 per million views would have to generate 336 million views in a year to achieve an equivalent revenue. This level of viewership is out of reach for the vast majority of channels and is only achieved by a few top celebrities in the music, video games and entertainment world. Apart from the benefits of a tried and tested channel platform and a large content library, the novel revenue-sharing business model proposed by the Group to its talents and media groups is designed to optimise audience monetisation for its talents and media groups, motivate and retain them as well as attract other talents and media groups.

The stand-alone service also helps to improve the Group's working capital position as it receives the subscriber revenue immediately upon subscription and not an average of 60 days later as is the case for the bundled service.

Marketing strategy

The Group actively promotes its services through commercial campaigns to generate traffic and convert it into subscriptions. For example, it negotiates promotional spots on the Movistar or Amazon Fire portals with original editorial content and high quality videos. It also purchases advertising space on search engines and social media in the form of banners or videos to attract potential consumers. A digital marketing conversion pathway is then set up to maximise the number of conversions into customers and cover the cost of the media space purchased. These actions are monitored in real time using a campaign monitoring tool enabling the Group to make decisions and choices and ensure that all customers acquired are profitable.

Decisions as regards the allocation of marketing expenditures are based on customer value (using the ARPU 12 performance indicator) and marketing expenditures incurred on Google banner ads for example in order to get a subscriber to register and pay online. ARPU12 represents the average revenue for the first 12 months for a cohort of subscribers. The Group ensures that the customer value is higher than the marketing expenditures before acquiring as many subscribers as possible. If not, the campaigns are suspended promptly in order to preserve cash.

The Group analyses statistical cohort models. Although one group of subscribers may register and cancel quickly, another group will continue to subscribe over the longer term, thus covering the opportunity loss on the first group and generating a future profit. ARPU12 is the trend indicator for cohorts acquired. At a constant selling price, an increase in ARPU12 indicates a fall in the churn rate and signals an increase in future revenues. It thus gives an indication of revenues for the current year.

Given its subscriber base and cohort models, the Group believes it has a certain visibility on future revenues based on the statistics at its disposal. Revenues for the current year will be generated partly by subscribers acquired in prior years.

The Group believes that its strategy of developing channels by promoting talents and media groups should enable it to reduce the acquisition cost of new subscribers in the future, in particular by gaining access to major sources of promotion through their viewership and offering an alternative to the commissions charged by the major distribution platforms. For most of the new SVoD channels launched, a dedicated website is created to receive the traffic resulting from social media posts or commercial campaigns organised by the Group's partners.

There are usage and loyalty metrics for co-published channels, which the Group considers to be effective. The churn rate for subscriptions to channels dedicated to a cause (rural solidarity for the *Cultivons-nous* channel and association of terrorist victims for the *Islamoscope* channel) and channels related to popular celebrities is generally low and estimated to be among the best in the Group's market. However, subscriber churn is significantly higher for SVoD channels addressing a young public with limited means. These subscribers tend to unsubscribe and resubscribe often and the Group therefore implements a regular chase-up strategy for this population. Average churn can be improved by providing packages coupled with magazines or BtoB agreements with brands. The Group believes that a small proportion of subscribers will continue to subscribe over the long term, thus increasing the channel's profitability. The Group's subscriber churn is the ratio of subscription cancellations to the average number of subscribers at the beginning and end of the period.

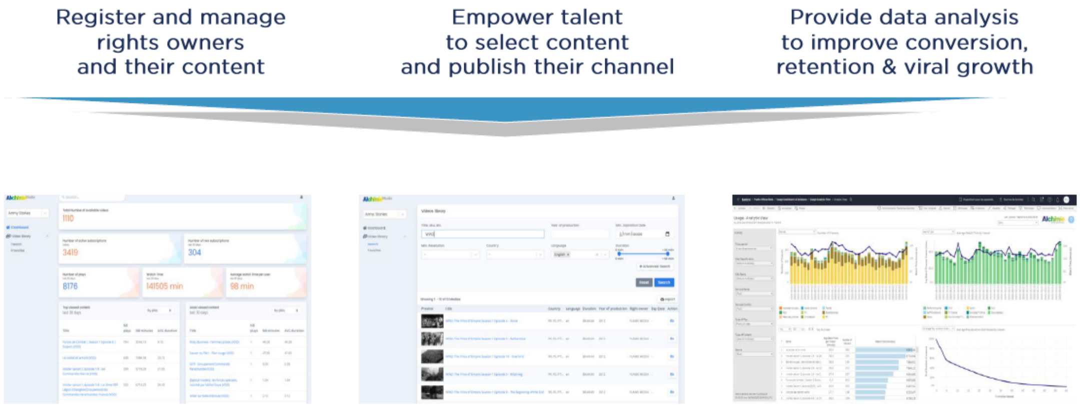
2.2.3.7 Alchimie Technology

At the date of the Registration Document, the Group devoted the majority of its capital expenditure to developing its activities, with a total of €23 million invested since 2016 in developing its channel platform, Alchimie Studio,[15] and its mass consumer apps such as Watch-It and TVPlayer, which will gradually replace Watch-It. The Group believes that these expenditures give it independence from a technological viewpoint.

Alchimie Studio

Through the Alchimie Studio platform, the Group can scale up the commercialisation of SVoD channels from content recovery, ingestion, coding and enrichment with metadata, storage, publication and streaming through to billing and automatic payment to all rights owners.

[15] Expenditures include staff costs, technological and marketing costs and costs incurred in obtaining the initial contracts with rights owners and distribution platforms.



It now takes several thousand euros and two weeks to launch a channel with a dedicated website. Maintenance costs are very small.

The channel platform was developed with the aim of providing cost efficient agility in a fast moving environment where the major players decide what the standards will be and sometimes take drastic decisions that require an immediate response.

Furthermore, the platform has been structured for optimal volume management. The tens of thousands of files managed represent petabytes of data which are extremely hard to handle. Because it interfaces with many different distribution platforms, the Group's channel platform has to be capable of handling a number of formats and combinations of content distribution. It also has to integrate many payment systems to manage subscriber billing. The Group is also capable of simultaneously managing linear channels and on-demand channels.

Investment has been mainly in the back and middle office to manage video content and provide it rapidly to all operators wanting to use it. The Group intends to capitalise on this investment while keeping a close eye on front office expenses (apps). Expenditures can be extremely high given the diversity of platforms to be integrated into the technology. These platforms may be highly specific and require the recruitment of specific staff. They may become obsolete very quickly and need regular updates, making planning relatively difficult. Controlling the IT expertise required to cover the broad variety of apps that may be needed thus has a significant cost for the Group. It therefore prefers to rely on partnerships with specialised providers and call on outside companies so as not to take on the financial, human and technological risk for the low value-added element.

In TVPlayer's free section, the Group provides access to free channels for broadcasting sports events according to the country. The channel platform has thus demonstrated its ability to support several tens of thousands of users simultaneously, particularly during top sports events broadcast live.

Alchimie Studio is the most visible component of the channel platform. It enables talents and media groups to view the available library content, select content, build their playlists and select titles to promote. These choices are automatically updated on the broadcasting sites. They can also view various statistics. The new version in preparation aims to strengthen the co-publishers' independence with more metrics, particularly on usage.

Alchimie Studio is also available to rights owners and enables them to upload their content to the channel platform themselves. They may also remove titles they have sold or to which they have lost the rights and can download their revenue share statements. The Group is currently developing new functionalities such as electronic signature of the listing agreement, consumption statistics and the possibility of enriching title metadata.

Half of the Group's staff works on the technical side in building and maintaining the back and middle office.

TVPlayer app

In September 2019, the Group acquired TVPlayer, which generated £5 million of revenue with 50,000 subscribers and almost 2.6 million registered users. The Group intends to leverage this technology and brand awareness to roll out TVPlayer in all its countries of operation, after France, Spain and the United States in September 2020. TVPlayer is available online at www.tvplayer.com and the smartphone app from various portals (Apple Store, Android, etc.).

2.2.3.8 Key performance indicators

In addition to accounting indicators, management has defined two key performance indicators (KPI), which it monitors regularly.

Number of SVoD channels

The Group considers the number of SVoD channels to be a relevant KPI for measuring its development. Its future success depends on its ability to launch the greatest possible number of SVoD channels to generate new subscribers in addition to the existing base. This KPI is therefore an essential measurement of financial performance.

A SVoD channel is an on-demand video service published by the Group or co-published with a talent or media group.

Subscriber base

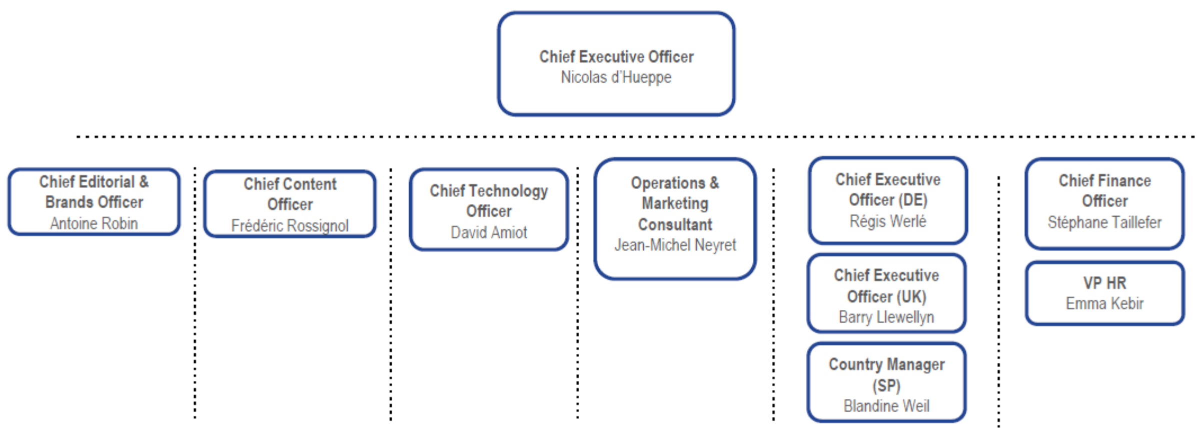
The second KPI is the number of subscribers, which is defined as a user that has subscribed to a video service provided by the Group.

It measures the success of the Group's on-demand video services. Increasing the subscriber base is a key factor in achieving its growth targets.

2.2.3.9 Organisational structure

At the date of the Registration Document, the Group had 125 employees and partners headed by an experienced management team.

2.2.3.10 Functional structure



2.2.3.11 An experienced management team

Nicolas d'Hueppe – Chief Executive Officer

Nicolas has been an entrepreneur in the high tech and digital sector since 1998, first with Accor, where he launched the first online booking site Accorhotels.com, and then with Lagardère Active Broadband in charge of business development for online activities. In 2004, he was involved in creating Cellfish, a pioneer and leader in mobile content, and became its CEO in 2010. In 2015, he joined forces with investment company HLD to acquire Cellfish and managed the company's transformation into an IPTV operator. Alchimie thus became a video platform that helps media groups and talents to create their own Netflix. Alchimie has launched 55 thematic channels with media groups such as Reworld, Prisma and Zinet, celebrities such as Jacques Attali, Guillaume Canet and Jérôme Le Banner, and YouTubers such as Poisson Fécond, Astronogeek and Mister Geopolitix. It now launches one channel a week in Europe.

Nicolas has four children and his outside interests are cycling and entrepreneurship. He is Vice-President of CroissancePlus, the association for growth companies. He is the author of "*Votre énergie est inépuisable*" (Your energy is boundless), published by Iseran Editions.

Nicolas is a graduate of Dauphine PSL and HEC Lausanne.

Stéphane Taillefer – Chief Financial Officer

Stéphane has been CFO of the Group since 2016 and is responsible for Performance & Reporting, Taxation, Treasury, Financial Information Systems and Legal.

He has more than 20 years' experience in managing and developing companies in the high tech sector.

He has previously held positions as financial controller with aerospace company Airbus, Club-Internet, a subsidiary of Deutsche Telekom, and Lagardère Active Broadband, the holding company for the group's new businesses including Le Studio Grolier (Web Agency), interactive television (The Broadway Factory), digital content aggregation (Plurimedia), EuropeInfos.fr and Elle.fr.

He was CFO of Cellfish as of its creation in 2006 until 2015.

Stéphane is a graduate of Toulouse School of Management (Financial Management and IT Logistics) and Toulouse School of Economics (Master's degree in Industrial Economics, Economics and Business Management).

Jean-Michel Neyret – Chief Operating Officer

After holding many positions in marketing and general management for distribution and telecoms companies, for 15 years Jean-Michel supported various companies facing transformation or growth acceleration issues.

He managed the relaunch of the first low-cost mobile operator, which was sold to La Poste Telecom with its 350,000 customers. In 2008 he created Full Booster, one of the first start-up accelerators.

In 2013, he became CEO of the SPIR Group and its 3,500 employees, overseeing the development of pure digital players Lacentrale.fr and Logic-immo.com.

He then joined Fullsix, leading independent digital agency in Europe, to support its acquisition by Havas and organise its integration into the Havas group.

After its integration, he became COO/CMO of Vivendi Content, the newly created company within the media and communications group, in charge of developing new content projects both in terms of formats and media.

For the past 18 months, he has been structuring the Group's growth and organisation.

David Amiot – Chief Technical Officer

David has been involved in the IT, telecommunications and Internet sectors for more than 20 years, in both a B2C and B2B environment.

He began his career in 1996 with the third largest French ISP (Club-Internet, Lagardère group), first as an engineer and then as project director. In 2003, as head of VoIP, David was a key player in the ISP's latest technical advance, transforming it into a telecoms operator in less than four months, prior to its ultimate acquisition by Neuf Cegetel in 2007.

In 2009, after a spell in consulting, notably assisting Bouygues Telecom and then Paritel/Global Concept in mergers & acquisitions, David left Fitelia to join Hub One, a subsidiary of Aéroports de Paris. Hub One is an IT and digital services operator for the Paris airports, which extended and enhanced its B2B services to achieve nation-wide, diversified coverage. In 2010 David was appointed Network Operations Director of the Hub One group with responsibility for networks and systems operations and engineering.

He joined the Group in 2016 to implement the technological strategy and build the team.

David has a degree in information systems from the university of Paris XI and an engineering qualification from the Conservatoire National des Arts et Métiers.

Antoine Robin – Chief Editorial & Brands Officer

A journalist by training (EJCM Marseille), Antoine spent six years as a sports reporter and presenter for Canal Plus. He followed Zinedine Zidane for one year upon his arrival at Real Madrid. In 2006, as editor-in-chief, he won an Emmy Award for the best interactive programme for C.U.L.T. (France 5).

He was promoted to CEO of Havas Productions by Yannick Bolloré in 2007, where he took part in creating the LVMH group's "*Journées Particulières*", conceived the "Road to Roland-Garros" brand content series for Peugeot (distributed in 120 countries) and revealed the story of Marylin Monroe's last trunk in a documentary film made for Vuitton ("*Unclaimed Baggage*"). He also produced "*Dans tes yeux*" for Arte (80x26mm), a series in which a blind journalist discovers the world through a different perspective.

In 2015 he founded Spicee, the first subscription-based investigative reporting channel, which tracked down conspiracies in a series called "Conspi-hunter".

Since January 2018, he has been the Group's programme and brand director. He forges partnerships with talents and media groups and supervises editorial operations.

Frédéric Rossignol – Chief Content Officer

Frédéric has more than 20 years' experience in the audiovisual world. He was head of international rights acquisitions and sales for Lagardère Studios and then head of business development for Marathon International (Banijay), before founding Rossworks, a rights production and distribution company which he ran for nine years. He then joined Millimages, where he created the library for international OTT operations.

He joined the Group in 2018 to develop the Alchimie Rights library. The library now has more than 60,000 hours of documentary, fiction, youth and sports content from rights owners across the world and feeds all the Group's current and future VoD offers.

Emma Kebir – VP HR

For the past 14 years, Emma has been a human resources director in complex technological environments. For nine years, she was responsible for HR development and employee relations at Hub One, a subsidiary of the Aéroports de Paris group.

She joined the Group in 2016 to build up a new team specialising in video and new media with a broad range of skill sets, international profiles, strong growth momentum and a need to forge a culture that would create a climate of strong commitment.

Emma has a degree in Languages, Literature and Foreign Civilisations and obtained a Master's degree in international human resources in 2009.

Shérine Seif – VP Distribution

Shérine has extensive knowledge of the Europe Middle East & Africa markets and 15 years' experience in marketing and telecommunications consulting. She held various marketing and distribution positions with the Orange Group in France and Egypt, where she was responsible for launching entertainment and sports packages.

Shérine joined the Group at the outset to develop international business, forge distribution partnerships and develop commercial activities through her position as head of markets.

She has a Master's degree in Strategy and Marketing from the Ecole Universitaire de Poitiers (IAE de Poitiers) and a dual degree in management from IAE Poitiers and the University of Ain-Shams in Egypt.

Blandine Weill – Country Manager Spain

Blandine is currently the Group's Country Manager for Spain, a subsidiary she helped to set up in 2018 and manage its growth.

She previously spent eight years in Spain, notably with 20th Century Fox where she was responsible for major accounts, and then six years with Cellfish as head of Distribution.

Blandine has a degree from ICN Business in Nancy and IESE Madrid.

Barry Llewellyn – CEO Alchimie UK

Barry has more than 35 years' experience in the TV and video industry. He began his career with ITV and Channel 4, subsequently becoming MTV Europe Group Sales Director. He then became Launch Director for VH1 in the UK before leaving Viacom to found Capital Media Group, which raised $16 million on NASDAQ.

Following the successful sale of Capital Media in 1999, Barry created Newsplayer and raised $9 million through an IPO on the Alternative Investment Market (AIM). Newsplayer was a pioneer in online video. Having raised $75 million in the US and the UK, he made a number of acquisitions, including SIS (Satellite Information Services).

He then became Director of Media and Advertising at EE before joining Microsoft to head up the video business outside the US.

He joined the Group in 2019 when it acquired TVPlayer, to oversee the company's integration and develop Alchimie UK.

Régis Werlé – Managing Director Alchimie GmbH

Régis is Managing Director of Alchimie GmbH and is responsible for operations in Germany, Austria and Switzerland.

He has more than 30 years of management experience in multicultural and international environments, as internal auditor with Société Générale, Chief Financial Officer and Board member of Technip GmbH in Düsseldorf from 2002 to 2004, of Humboldt Wedag AG in Cologne from 2005 to 2007 and as CEO of Alchimie GmbH.

He graduated from HEC in 1989.

2.2.3.12 Development strategy

The purpose of the Company's planned IPO on Euronext Growth Paris is to enable the Group to preserve the lead it believes it has in terms of content, talents and media groups, number of channels and ability to step up organic growth in France and the regions, particularly linguistic regions, in which it operates or intends to expand. The funds raised will be used to strengthen three dimensions of the Group's plan: organic growth, international expansion and acquisition opportunities.

Increase the number of thematic channels and subscribers

The Group's business model is predicated on robust assets including, at the date of the Registration Document, a base of almost 300,000 subscribers providing visibility and a strong recurring revenue stream, a content library of 60,000 hours from more than 300 rights owners, an international distribution network comprising more than 60 distribution platforms, a proprietary app called TVPlayer allowing subscribers to view content on the main current platforms, and a channel platform enabling it to scale up commercialisation of SVoD channels. At the date of the Registration Document, the Group already provided 55 pay SVoD channels, either proprietary or co-published with talents and media groups committed to developing and promoting their SVoD channels.

The main investments required to make the Group's channel platform operational were made in the last three years (development of the channel platform, content library aggregation, connection to the distributors' technology and communications costs).

The fixed annual costs involved in operating the channel platform are almost entirely staff costs for the teams in charge of launching new SVoD channels, sourcing and broadcasting complementary content, maintaining consumer apps and managing the subscriber base on a technological and financial level.

The Group is therefore seeking to increase its business volumes to cover its fixed costs, estimating that the launch of any new package represents only a small variable cost. With Alchimie Studio, a new SVoD channel can be built and launched within a few days and only requires two to three days of work a month to run it. Thus, the Group believes that there is immediate leverage between the increase in revenue and the costs required to maintain it. It estimates that a channel can be profitable and cover the initialisation, running and maintenance costs with just a few hundred recurring subscribers.

Its future success now depends on its ability to launch the greatest possible number of SVoD channels to generate new subscribers in addition to the existing base. The Group therefore considers its subscriber base to be a key performance measurement metric.

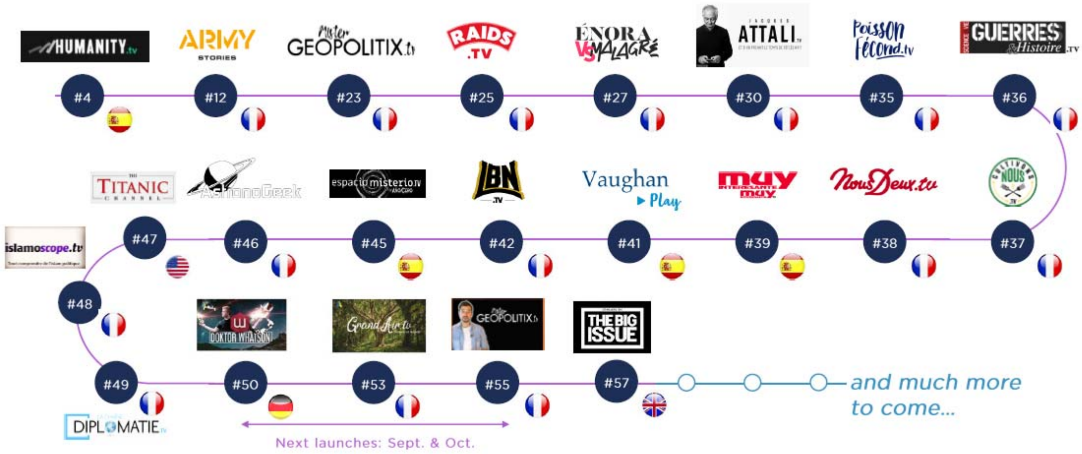
Like many digital platforms, the Group's business model will generate "network" effects that will feed growth momentum by creating a virtuous circle. The richer, more varied and more often refreshed the content for SVoD channels, the more the Group will be able to launch different and original SVoD channels. The more the SVoD channel library is differentiated, the more the distributors will be motivated to forge partnerships and provide TVPlayer with visibility, thus increasing the subscriber base. Lastly, visibility and subscriber potential will attract new talents and media groups seeking to launch new SVoD channels, which will encourage new rights owners to join the Group's project.

The Group will therefore continue to enrich its rights library at a rate of about 2,000 hours of additional content per month to raise it to more than 100,000 hours of videos. The library will be enriched both by obtaining a larger share of the libraries of the 300 rights owners with which it already works and by signing new agreements with new rights owners attracted by the Group's ability to better monetise their existing libraries by broadening their distribution network.

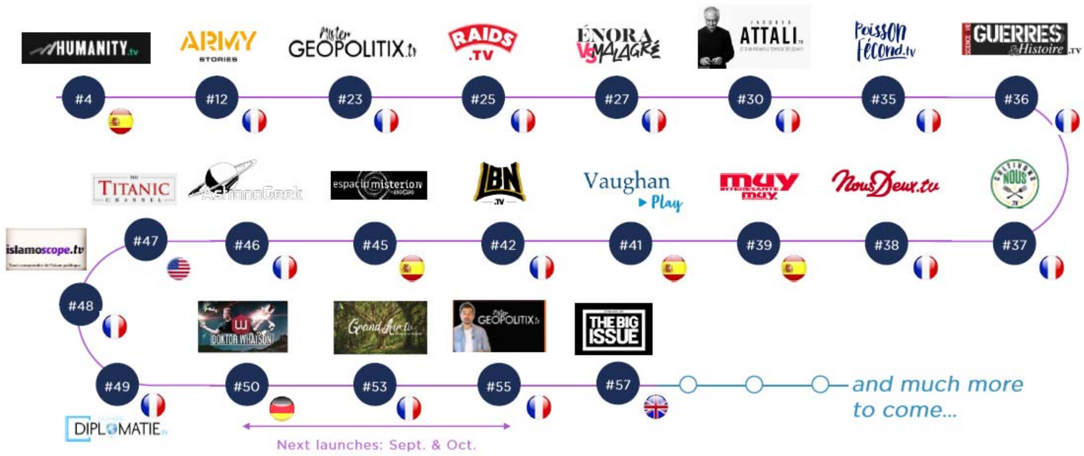
The rate of launch of new channels is therefore crucial to increase revenue and expand the subscriber base. The Group's objective is to accelerate quickly from one new channel per week in the third quarter of 2020 to more than three per week to reach a total of 210 channels by end-2022 and then by 2024 a total of more than 600 channels in the countries where the Group operates or intends to operate. To achieve that aim, the Group must increase the staffing levels at Alchimie Channels in order to sign new partnerships and develop them in France and abroad to capitalise on opportunities.

The Group is therefore actively prospecting for new talents and media groups, as well as new themes both in France and other areas in which it plans to expand. It considers the main hurdle to be signing up the first channel in a country. Once the first example is in place, the Group believes that agreements are easier to obtain. In France, word of mouth is already a key source of new business as one third of recent agreements have been initiated by incoming contacts.

To trigger this momentum in the international markets, the Group also plans to forge partnerships with local media groups, along the same lines as Spanish groups Zinet Media, with which it co-publishes *Muy Interesante TV* based on the magazine of the same name, and Prisma Publicaciones, with which it co-publishes the channels *Espacio Misterio TV* and *Objectivo bienestar*.



The ability to promote talents and media groups through their social or other media is a crucial means of growing without having to take any marketing risk. If the results are convincing, then the Group will intervene to step up recruitment by using the budgets earmarked for that purpose and reducing the risk of failure to a minimum. The Group is also increasingly developing partnerships with brands or distribution platforms with a view to selling bundled subscriptions to SVoDs that can further these partners' strategies, such as Intermarché for the *Cultivons-nous* channel.



Organic growth

The Group's strategy is to step up the development of bundled and stand-alone services, with an increasing weighting towards stand-alone, driven by the ability of talents and media groups to attract subscribers for these services.

Although Alchimie Channels is seeking to expand its library rapidly (Alchimie Rights) and drive growth in the number of channels, the Group's aim is to ramp up the portfolios of Alchimie Distribution and Alchimie Technology. They must therefore focus on providing new content, expanding distribution partnerships in various geographical areas and providing functionalities that give talents and media groups autonomy and flexibility, thus boosting content production while containing growth in structural costs.

The central team's task is to factorise a maximum number of functionalities in order to optimise costs, leaving specific commercial tasks to the discretion of the local teams, including signing channel content partnership agreements and distribution agreements. Thus, at present, Alchimie Spain, Alchimie UK and Alchimie GmbH only have authority to perform those tasks. All technical, graphic, traffic management, and business intelligence activities are provided to them by the central teams based at the Company's Paris head office.

International operations

The success of the OTT model depends on both content quality and volume. The French market alone is not big enough for a local operator to recoup its investment in technology in a single market. Consequently, the Company's initial plan was to have a European and then international reach.

Through its local operations and expertise, the Group has access to local production, publishing and distribution companies or those covering a linguistic region. The media industry remains culturally fragmented, hence the large number of local ecosystems. It is therefore crucial to be physically close to the relevant market.

With offices in London, Paris, Madrid, Düsseldorf and Sydney, the Group has a foothold in four key linguistic regions. The regions in which the Group plans to expand are the United States, the world's largest SVoD market, South East Asia, which will be the largest market in the future, and South America, currently the fastest growing market.

Opening new offices will enable the Group to obtain more rights agreements for the content library which, in turn, will open up new distribution opportunities. This then makes it easier to attract new talents and media groups to publish new SVoD channels. This virtuous circle is one of the Group's major focuses for investment.

The Group's international expansion is based on language. It currently aggregates libraries addressing the English, French, Spanish and German speaking markets and plans to continue focusing on the four main European languages.

The roll-out strategy is based mainly on developing English and Spanish content (35% and 8% respectively of the library at the date of the Registration Document), which can attract subscribers from many countries across the world. The Group's presence in the United Kingdom led to a partnership in the United States for an initial channel (Titanic Channel) and to launch TVPlayer there in September 2020. English-language content can also be used to open discussions with talents and media groups in many English-speaking countries (Australia, South Africa and Ireland) as well as Asian countries (Philippines and Singapore). Spanish content can be used to address Spain, South America and the United States. For some Spanish channels, almost 50% of subscribers currently come from the Americas.

French and German content can be used to address neighbouring countries (Austria and Switzerland for German and Belgium and Switzerland for French).

Selective external growth strategy

The Group has already made two acquisitions since its creation.

In March 2017, it acquired Tévolution, a French pioneer in OTT, giving the Group its initial agreements with rights owners, an initial subscriber base and a few technological building blocks.

In September 2019, it acquired the assets of TVPlayer giving it a foothold in the UK market. TVPlayer, a historical OTT operator in the UK, was struggling to break even due to a top-heavy cost base for the size of its market. The Group believed it could harness huge synergies from the acquisition. From a technology perspective, a merger with the Paris-based platform also led to significant cost savings. In addition, content costs were halved following the recomposition of a new SVoD channel library including English titles coupled with SVoD channels conceived using the Group's library, leading to a structurally positive margin per subscriber. A CEO was then hired for the new company, Alchimie UK, which saved considerable time in breaking into the UK media market. The TVPlayer integration plan was successfully rolled out over a six-month period. Five members of the old team joined the Group and were still employed at the date of the Registration Document.

TVPlayer was the brand name chosen for all the Group's proprietary platforms in its various countries of operation.

There are currently many OTT projects suffering from the same problems: top-heavy technological investments, upfront content costs too high for the size of the subscriber base and an inability to acquire subscribers through efficient digital marketing. This type of company could provide attractive acquisition opportunities for the Group in the future.

The Group therefore plans to pursue its opportunistic external growth strategy where the acquisitions will generate synergies. A criteria grid is used to evaluate opportunities identified. The criteria include the subscriber base to be acquired, physical operation in a new company leading to content and distribution agreements and agreements with talents and media groups, a rights library without any major costs, distribution agreements with major operators, mobile or web traffic that can be monetised through video, and technical synergies that will strengthen the platform or reduce operating costs.

The Group has already identified several companies that meet these criteria, although no binding or preliminary agreements have yet been entered into.

This targeted acquisition strategy could be particularly useful in accelerating the Group's growth in North and South America and/or Asia.

2.2.4 Regulatory environment

In the course of its business, the Group is required to comply with various regulations in its countries of operation, in particular as regards personal data processing, consumer and e-commerce law, intellectual property and transparency.

The main regulations applicable specifically to the Group's business are summarised below.

2.2.4.1 European regulations

2.2.4.1.1 Intellectual property regulations

As a distributor of linear TV channels and publisher of on-demand audiovisual media services (AVMS), the Group is subject to various regulations on intellectual property, and in particular rules governing the audiovisual media industry following the inclusion of AVMS in the definition of broadcasting under law no. 2009-258 of 5 March 2009 on audiovisual communication and the new public TV service, and its associated decrees.

- *Directive 2001/29/EC of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society*

The purpose of this Directive is to harmonise copyright and related rights with a particular focus on the information society.

- *Directive 2004/48/EC of 29 April 2004 on the enforcement of intellectual property rights*

The purpose of this Directive is to align the measures required to enforce intellectual property rights and to harmonise the laws of Member States in order to create a level playing field as regards protection of intellectual property rights within the European Union.

- *Directive 2006/116/EC of the European Parliament and of the Council of 12 December 2006 on the term of protection of copyright and certain related rights*

This Directive sets out the term of protection of copyright and certain related rights, i.e.

- authors' rights expire 70 years after the death of the author;
- performers' rights expire 50 years after the date of the performance;
- the rights of phonogram producers expire 50 years after the fixation is made.

- *Directive 2014/26/EU of 26 February 2014 on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market*

The purpose of this Directive is to facilitate the grant of licences for rights in musical works for online use, on a Europe scale. Collective management organisations are responsible for collecting, managing and distributing revenues derived from the exploitation of rights on behalf of the rights owners (i.e. the music producers), who have appointed them for that purpose.

- *Content regulation*

The content broadcast as part of the Group's AVMS must also comply with the "audiovisual" decree and recommendations of the *Conseil Supérieur de l'Audiovisuel* (CSA), the regulatory body in such matters.

- *Council Directive 93/83/EEC of 27 September 1993 on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission, amended by Directive (EU) 2019/789 of 17 April 2019 laying down rules on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and retransmissions of television and radio programmes*

The purpose of this Directive is to facilitate the licensing of copyright and related rights to satellite broadcasting and retransmission by cable in the single European market and thus improve the cross-border availability of radio and television programmes.

- *Directive 2010/13/EU of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive)*

The purpose of this Directive is to create a single market in audiovisual media services within the European Union and ensure its smooth functioning, while helping to promote cultural diversity and guaranteeing adequate protection of consumers and children.

- *Directive (EU) 2019/79 of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market*

The purpose of this Directive is to adapt copyright law to developments in digital technology.

The proposed French law no. 2488 on audiovisual communication and cultural sovereignty in the digital era is designed to implement Directive 2019/79/EU in French law and reform the reference law governing the audiovisual industry, i.e. law no. 86-1067 of 30 September 1986 on the freedom of communication.

When this law is enacted, it could have an impact on the Group as its provisions include the harmonisation of obligations between classic linear television services and AVMS.

2.2.4.1.2 Personal data protection regulation

In the course of its business, the Group collects and processes data subject to data protection laws and regulations in Europe and other regions where the Group operates. The Group only processes personal data on behalf of Group companies in their capacity as data controller.

The General Data Protection Regulation (GDPR), which came into effect on 25 May 2018, sets out the new regulatory framework for personal data protection in Europe.

The GDPR applies to automated and non-automated processing of personal data. Personal data means any information relating to an identified or identifiable person, whether directly or indirectly, regardless of the person's country of residence or nationality.

The GDPR has three objectives:

- to strengthen the rights of data subjects by creating a right to portability of personal data and introducing specific provisions for children;
- to make data controllers and processors accountable;
- to lend credibility to the regulation by reinforcing cooperation between the data protection authorities, which may notably adopt common decisions for transnational data processing and more severe sanctions.

The GDPR:

- introduces principles of data protection "by design" and "by default";

- streamlines the requirements for reporting to the control authority and imposes greater responsibility on data controllers and processors requiring them to be able to demonstrate that they comply with the GDPR at all times, in particular through technical and organisational measures and a documentation requirement (accountability);

- strengthens the rights of data subjects by introducing additional conditions such as the legal basis for the processing, the legitimate purposes pursued by the data controller, the right to data minimisation and data portability, and, when the processing is based on consent, the right to withdraw consent;

- requires data controllers and processors to hold a register of the processing performed;

- reinforces the security obligations on data controllers;

- requires any data breaches to be reported to the control authority and the relevant data subjects;

- requires a full impact assessment to be performed for the processing of sensitive data, indicating the nature of the processing, the risks and measures taken;

- imposes specific obligations on data processors.

The GDPR also gives European Union member states (the "Member States") the option of adopting specific local rules. France used this option in its law of 20 June 2018 reforming the data protection law no. 78-17 of 6 January 1978 on information technology, data files and civil liberties. In this case, the Group must comply with any local data protection laws in the countries where it is established or offers its services, in addition to the GDPR.

For example, the GDPR allows Member States to lower the digital age of consent, provided that it does not go below 13. In France, the age of digital consent has been set at 15 and the law contains specific rules for data processing where children are involved.

The French law also authorises class actions in data protection matters. A data subject can appoint an association or organisation to make a complaint to the French data protection authority (CNIL), take legal action against the CNIL or a data controller or processor.

The Group has adopted a compliance programme which is currently being rolled out within its various entities affected by the regulations and is evolving continuously in line with the spirit of the regulation. For example, the Group has updated the personal data protection policy for its services and has implemented a contact procedure via a dedicated email address. Furthermore, at the date of the Registration Document, actions being finalised within the Group involved the data security policy, updating the data map, improving data security and including personal data clauses in the Group's various contracts.

The compliance programmes in the Group's subsidiaries are harmonised by the parent company, which has primary responsibility for collecting, storing and processing data for the entire Group.

Depending on their nature, breaches of the GDPR can result in fines of up to the higher of €20 million or 4% of annual global revenue.

The Group believes that it will be able to comply with the main provisions of the GDPR by the end of 2020.

2.2.4.1.3 Consumer and e-commerce law

2.2.4.1.3.1 Consumer law

European Union consumer law applies to the Group, which provides thematic SVoD channels directly to consumers. Directive 2011/83/EC of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council, and its implementation in French law in the Hamon Act of 17 March 2014, strengthens consumer protection by introducing:

- an obligation to inform consumers;
- a right of withdrawal for the consumer, with some exceptions;
- ban on misleading or false advertising designed to mislead the consumer;
- ban on abuse of weakness, particularly through abusive contractual clauses.

The Group has implemented many mechanisms to strengthen consumer protection: (i) the general terms and conditions of use of its services (T&C) are available online in the language of the relevant consumers, and provide basic information such as price and cancellation terms; (ii) the Group has a customer service department for consumers in the relevant languages, and the contact details are clearly identified online, notably in the T&C, and (iii) the Group has an account with an independent ombudsman whose services are free of charge to consumers and whose contact details are provided in the T&C.

2.2.4.1.3.2 Electronic commerce

Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce'), implemented in French legislation in law no. 2004-575 of 21 June 2004, aims to develop electronic commerce within the European Union and regulates:

- the responsibility of companies that host and publish online services;
- the opt-in system for online advertising;
- information about the online service provider that must be given to the user of the relevant services.

2.2.4.2 Ethical environment

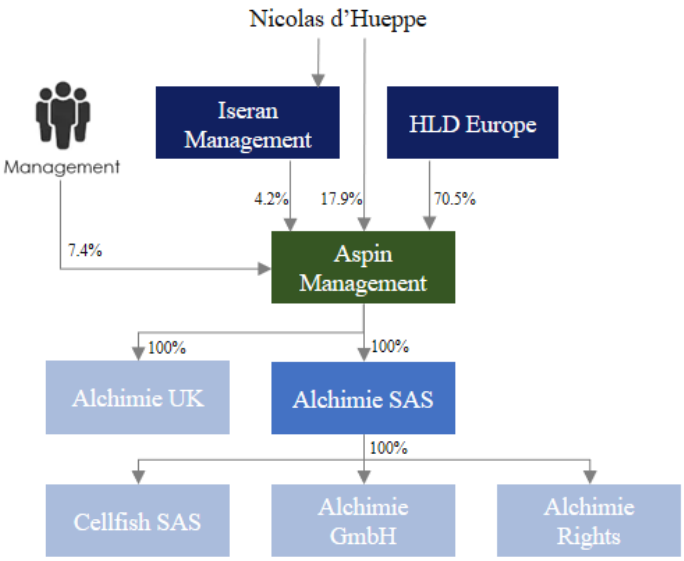
The Company is a member of the French Mobile Multimedia Association (AFMM), which brings together all telecoms operators in France involved in direct carrier billing. It organises meetings between telecoms operators, aggregators and service publishers. It coordinates the work of its members with the general objective of developing digital services, particularly in new fields or on new smart screens. It is also a key intermediary with the public authorities and consumer representative bodies. It organises self-regulation in the market through audits of mobile multimedia services. It contributes to drawing up codes of conduct for SMS+, Internet+ mobile and Internet+ box carrier billing solutions.

The Company is also a member of GESTE, a trade association for publishers of online services, which has hundreds of members from various fields, all of which publish content and services. GESTE's main aim is to make the public authorities aware of the issues involved in the economic development of publishers and digital regulation. The Company takes part in legal working groups that monitor legal issues applicable to the Group.

2.3 Organisational structure

2.3.1 The Group's organisational structure at the date of the Registration Document

The following organisation chart shows the legal structure of the Group and its main subsidiaries at the date of the Registration Document, before the reorganisation to be implemented in connection with the proposed admission of the Company's shares to trading on Euronext Growth Paris, as described in Section 2.3.2 of this Registration Document.



* *The above percentages refer to the holding expressed in share capital and voting rights.*

At the date of this Registration Document, the Company is a *société par actions simplifiée* governed by French law.

A general meeting of the Company's shareholders will be held prior to the AMF's approval of the Prospectus to approve the Company's conversion into a *société anonyme* and to amend its Articles of Association accordingly.

2.3.2 Description of the Reorganisation

Prior to its initial public offering, the Group intends to simplify its legal structure and refocus the Group's business activities (the "Reorganisation").

In addition to converting the Company into a *société anonyme*, the Reorganisation will include (i) a spin-off of the Transferred Legacy Business to Cellfish SAS (formerly Elixir SAS), which is wholly owned by the Company, (ii) the merger of Aspin Management into the Company, and (iii) the distribution of Cellfish SAS shares to the Company's shareholders.

Spin-off of the Transferred Legacy Business

Prior to the AMF's approval of the Prospectus, the Company will spin off a stand-alone business, which is a complete and autonomous branch of activity, comprising all of the assets and liabilities of its "Mobile Personalisation" business to Cellfish SAS, which is wholly owned by the Company, in exchange for ordinary shares of Cellfish SAS (the "Spin-Off"). However, following the spin-off, the Group will retain a business in media audience monetisation (mainly games contests) and the sale of football match tickets via premium rate telephone numbers, via Alchimie GmbH. The trend in this business is declining and it is expected to fall by about 50% by 2024 compared with 2020. The business requires a dedicated team of 3.5 full-time equivalents.

The Spin-Off will be subject to the rules governing demergers set out in the provisions of Article L. 236-16 to L. 236-21 of the French Commercial Code, under the option provided in Article L. 236-22 of the Code.

In accordance with ANC regulation 2017-01 of 5 May 2017, as the Spin-Off is an operation between companies under common control, it will be recorded in the Company's statutory financial statements based on the book value of the assets and liabilities of the business transferred.

Furthermore, the Spin-Off will be approved by the Company's competent staff representative bodies at the general meeting of shareholders to be held prior to the AMF's approval of the Prospectus (the "General Meeting"), subject to the final price being set for the admission of the Company's shares to trading on Euronext Growth Paris (the "Pricing") and the Spin-Off will take effect on the Pricing date.[16]

Furthermore, an agreement on the Transferred Legacy Business has been entered into by the Company and Cellfish SAS (whose Chairman will be Iseran Management after the merger described above) to ensure continued access to shared technical resources, and particularly those required for synchronising the subscriber bases with the telecoms operators, as well as the continued availability of accounting resources to control financial flows. Under the terms of the transfer of the Transferred Legacy Business, the Group will therefore host on its infrastructure the web applications and subscribers concerned by the transfer. The employment contract of one employee will be transferred to Cellfish under the Spin-Off with an amendment to the contract in order to share the employee's time 60%/40% between, respectively, Cellfish and the Company. The agreement will be valid for two years automatically renewable for two further terms of one year unless specifically terminated. Its sole purpose is to maintain an operational service, that is renewal of existing subscriptions and continuity of access to services. The Group will receive a fee for this service on arm's length terms, i.e. 15% of the monthly revenue received by Cellfish, payable monthly. For 2021, the Group estimates the amount to be paid by Cellfish to the Company at about €300,000. At the time it was concluded, the agreement did not fall under the procedure of regulated related-party agreements. The Company intends to submit this agreement to the shareholders' vote as part of the approval of regulated related-party agreements at the general meeting called to approve the financial statements for the year ended December 31, 2020.

Merger of Aspin Management into the Company

At the date of the Registration Document, (i) Aspin Management is 70.5% owned by HLD Europe SCA, 22.1% by Nicolas d'Hueppe (directly and indirectly via Iseran Management) and 7.4% by other Group managers and executives (in the form of ordinary and preferred shares), and (ii) Aspin Management owns 100% of the shares issued by the Company. As part of the initial public offering, the Company wishes to give Aspin Management shareholders the

[16] For accounting and tax purposes, the effective date of the Spin-Off will be 1 July 2020.

opportunity to become direct shareholders of the Company. Aspin Management will therefore be merged into the Company (the "Merger"). The Merger will be subject to approval by the shareholders of both companies party to the Merger at general meetings to be held prior to the AMF's approval of the Prospectus, provided that the Pricing takes place. The Merger will then become effective on the Pricing date.[17]

The merger ratio will be based on the actual value of each of the companies party to the Merger and the actual value will be determined by reference to the price of the Company's shares in the initial public offering.

As a result of the Merger, the current shareholders of Aspin Management will become direct shareholders of the Company and the shares of the Company owned by Aspin Management will be cancelled.

Prior to the Merger, (i) the preferred shares issued by Aspin Management to HLD Europe SCA and certain Group managers and executives will be repurchased and cancelled in a capital reduction not motivated by losses, (ii) the convertible bonds issued by Aspin Management to HLD Europe SCA will be redeemed in full (the amounts required to repurchase the preferred shares and redeem the convertible bonds held by HLD Europe SCA, i.e. €7,983,781 (calculated on the basis of a preferred dividend equal to 15% of the issue price of the preferred shares plus rolled up interest), will be recorded in a shareholder current account opened in the name of HLD Europe SCA in Aspin Management's books), and (iii) the preferred shares issued by Aspin Management to various Group managers and executives will be repurchased for a total amount of €55,266.

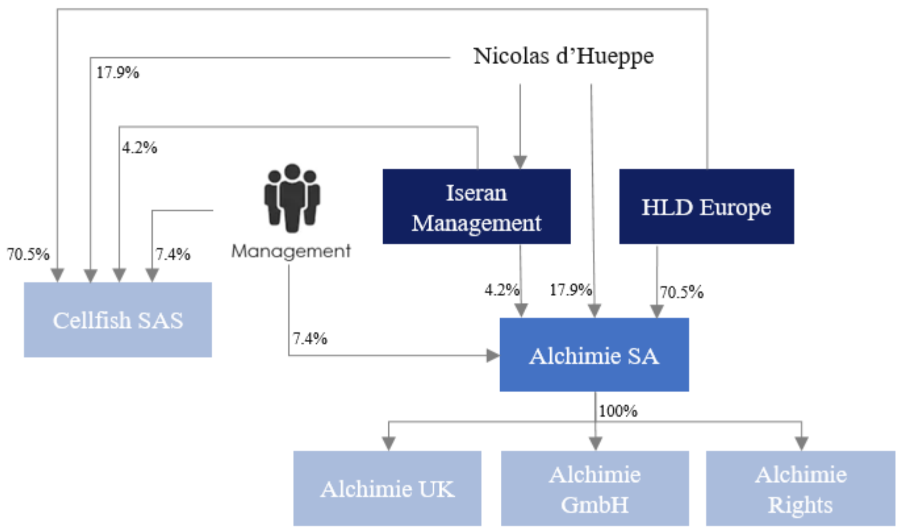
After the Merger, the Company's statutory equity will represent less than half of its share capital, principally due to the cancellation of treasury shares held by the Company pursuant to the Merger. However, it will be restored if the Company's initial public offering on Euronext Growth Paris is successful.

Distribution of Cellfish SAS shares to the Company's shareholders

Immediately after the Merger is completed but before the initial public offering takes place, the Company will distribute the Cellfish SAS shares to its shareholders by way of an exceptional distribution to be approved beforehand at a general meeting of the Company's shareholders.

2.3.3 Organisational structure of the Group after the Reorganisation

[17] For accounting and tax purposes, the effective date of the Merger will be 1 January 2020.



** The above percentages refer to the holding expressed in share capital and voting rights.*

2.3.4 Subsidiaries and equity interests

The Company's direct and indirect subsidiaries at the Date of the Registration Document are described below.

- Alchimie GmbH is a company organised under German law with a share capital of € 827,538, registered office at Heinrichstr. 24, 40239 Düsseldorf, Germany, registered with the Düsseldorf district court under number HRB 28137. Formerly called Cellfish GmbH, Alchimie GmbH's business is media audience monetisation (mainly games contests) and the sale of football match tickets via premium rate telephone numbers.

- Alchimie Rights is a *société par actions simplifiée* organised under French law with a share capital of €50,000, registered office at 43-45 avenue Victor Hugo, Le Parc des Portes de Paris, Bâtiment 264, 93300 Aubervilliers, France, registered in the Bobigny trade and companies register under number 529 229 031. Its main business activities are, directly or indirectly, in France or abroad, the acquisition of audiovisual rights, and audiovisual production and co-production with a view to its distribution through all types of electronic communications networks (including fixed or mobile Internet, tablets, screens, smart TVs);

- Cellfish is a société par actions simplifiée organised under French law with a share capital of €1,000, registered office at 43-45 avenue Victor Hugo, Le Parc des Portes de Paris, Bâtiment 264, 93300 Aubervilliers, France, registered in the Bobigny trade and companies register under number 853 844 884. Its main business activities are the production of TV documentaries, films and programmes, the distribution and commercialisation of documentary product libraries to TV channels, the production of trailers, and strategic and editorial consulting.

Following the Reorganisation, the Company will also own 100% of the share capital and voting rights of Alchimie UK Ltd, a private limited company organised under the laws of England of Wales, registered office at 11 Old Jewry, 8th Floor, London EC2R 8DU, UK, registered at Companies House under number 12154738. Its main business activity is the distribution of TV programmes.

2.4 Investments

2.4.1 Material investments made since the end of the interim period to 30 June 2020

Since the end of the interim period to 30 June 2020, no material investments have been made other than the expenditures incurred by the Group for its ongoing business operations.

2.4.2 Material investments in progress or for which firm commitments have already been made

In line with the strategy described in Section 2.2.3.12 of the Registration Document, the Group plans to continue its development to generate additional revenue and margins, by investing primarily in:

- aggregating new video on demand libraries;
- continuously improving its technical infrastructure and enhancing the functionalities of its channel platform to serve rights owners and talents and media groups;
- seeking new distribution partnerships;
- signing new co-publishing agreements with talents and media groups.

2.5 Earnings and financial position

Readers are invited to read this analysis of the Group's earnings and financial position, along with the Group's consolidated financial statements including notes and the unaudited proforma consolidated financial information set out in section 5 of the Registration Document and any other financial information contained in the Registration Document.

2.5.1 General presentation

2.5.1.1 Introduction

2.5.1.1.1 Business activities

The Group is an aggregator of themed video content, and operates as an intermediary between rights owners, content owners and distribution platforms. Its business consists of providing subscription-based distribution services to video content producers. The Group publishes and co-publishes "over the top" (or "OTT") video content (for more details see section 2.2 of the Registration Document).

The Group operates in five countries: France, Germany, Spain, the UK and Australia. It also has technical and commercial infrastructure that combines international scale with local expertise, allowing it to offer solutions tailored to each market's specific cultural, technological and regulatory features.

In the six-month period ended 30 June 2020, the Group generated proforma consolidated revenue of €13.7 million, proforma consolidated gross profit of €7.2 million and a proforma consolidated operating loss of €4.7 million.

In 2019, the Company set up Alchimie UK Ltd. In September 2019, that subsidiary acquired the main assets of TVPlayer Ltd, consisting of its TVPlayer app, subscriber base and brands. Alchimie UK Ltd's main business consists of distributing and exploiting the TVPlayer app via its website, the Amazon Fire store, Apple Store and Google.

2.5.1.1.2 Historical and proforma financial information included in the Registration Document

Because of the Reorganisation described in section 2.3.2 of the Registration Document, the following financial statements are presented in the Registration Document:

- Aspin Management's condensed consolidated financial statements for the period from 1 January 2020 to 30 June 2020 including a comparison with the period from 1 January 2019 to 30 June 2019 prepared in accordance with IAS 34 "Interim financial reporting", which is part of the International Financial Reporting Standards published by the IASB, as endorsed by the European Union ("IFRSs"). These unaudited interim condensed consolidated financial statements, referred to as the "2019-2020 Interim Consolidated Financial Statements", are presented in section 5.2 of the Registration Document, which have undergone a limited review by the statutory auditor Ernst & Young et Autres, whose report is included in section 5.3.2;

- Aspin Management's consolidated financial statements for the financial years ended 31 December 2019 and 31 December 2018, prepared in accordance with IFRSs (the "2018-2019 Full-Year Consolidated Financial Statements"), presented in section 5.1 of the Registration Document, which have been audited by the statutory auditor Ernst & Young et Autres, whose report is included in section 5.3.1;

- the Company's unaudited proforma consolidated financial information:

  - at 30 June 2020 for the consolidated statement of financial position;

  - for the periods from 1 January 2020 to 30 June 2020, from 1 January 2019 to 30 June 2019, from 1 January 2019 to 31 December 2019 and from 1 January 2018 to 31 December 2018 for the income statement;

  prepared in accordance with the basis for preparation described in the explanatory note to the unaudited proforma consolidated financial information (the "Proforma Financial Information") presented in section 5.7.1 of the Registration Document, on which review procedures were performed by the Company's statutory auditor, whose report is included in section 5.7.2; the Proforma Financial Information seeks to show the proforma impact of the spin-off of the Transferred Legacy Business to the Cellfish SAS subsidiary and the distribution of that subsidiary's shares to the Company's shareholders as if those transactions took place on 1 January 2018 for the consolidated income statements and on 30 June 2020 for the consolidated statement of financial position.

  In relation to the Group's first financial publication after the Company's shares are admitted for trading on Euronext Growth Paris (i.e. the publication of annual results for the financial year ending 31 December 2020), the Company intends to present (i) its annual consolidated financial statements for the financial year ended 31 December 2020 in accordance with IFRSs (including the application of IFRS 5 for the Transferred Legacy Business), also including a comparison comprising the Group's IFRS figures at 31 December 2019 (consolidated by Aspin Management) and (ii) proforma consolidated financial information seeking to show the proforma impact of the spin-off of the Transferred Legacy Business to the Cellfish SAS subsidiary and the distribution of that subsidiary's shares to the Company's shareholders as if those transactions took place on 1 January 2019.

2.5.1.1.3 Historical and proforma financial information presented in this section

This section of the Registration Document includes an analysis of the Group's results:

- for 2019 and 2018: firstly, for the financial years ended 31 December 2019 and 31 December 2018 for Aspin Management (2018-2019 Full-Year Consolidated Financial Statements) and secondly, for 12-month periods ended 31 December 2019 and 31 December 2018 for the Company (Proforma Financial Information);

- for 2020: firstly, for the six-month periods ended 30 June 2020 and 30 June 2019 for Aspin Management (2019-2020 Interim Consolidated Financial Statements) and secondly, for the six-month periods ended 30 June 2020 and 30 June 2019 for the Company (Proforma Financial Information).

Given the spin-off of part of the legacy business to Cellfish SAS and the distribution of shares in that subsidiary to the Company's current shareholders – transactions that should be decided in the General Meeting of shareholders, subject to conditions precedent – the analysis of the 2018-2019 Full-Year Consolidated Financial Statements and the 2019-2020 Interim Consolidated Financial Statements will relate mainly to the "Video Business" (it being stipulated that the performance of the Retained Legacy Business and the Transferred Legacy Business is reflected in the 2018-2019 Full-Year Consolidated Financial Statements and the 2019-2020 Interim Consolidated Financial Statements included in sections 5.1 and 5.2 of the Registration Document). The legacy business retained by the Group after the General Meeting of shareholders is expected to decrease in scale.

Readers are invited to refer to the analysis of the Proforma Financial Information for information about the scope of the Group's business after the General Meeting of shareholders. That scope comprises the Video Business, but also the Retained Legacy Business.

2.5.1.2 Main factors affecting the Group's earnings

Certain key factors and certain past events and operations have affected or may in future affect the Group's business and operating income as presented in this section. The main factors that, in the Company's view, influence its earnings are set out below.

2.5.1.2.1 Underlying trends in the SVoD market

See section 2.2.2.1 of the Registration Document.

2.5.1.2.2 Acquisitions boosting the Group's growth

In the financial years ended 31 December 2019 and 2018, the Group carried out the acquisitions described in section 2.2.3.12 of the Registration Document. The Group's strategy consists of supplementing its growth by making bolt-on acquisitions in order to round out its offering, acquire new technological components and extend its geographical coverage (see section 2.2.3.12 of the Registration Document).

2.5.1.2.3 Movements in exchange rates

Aspin Management's consolidated financial statements are presented in euros, the euro being Aspin Management's reporting currency. The consolidated financial statements are prepared on the basis of subsidiaries' local-currency financial statements, which the Group translates into euros according to the accounting policies applied by Aspin Management (see Note 2 to the 2018-2019 Full-Year Consolidated Financial Statements and Note 2 to the 2019-2020 Interim Consolidated Financial Statements). Alchimie UK's financial statements are translated into euros at the period-end exchange rate for the balance sheet, and at the exchange rates on the dates of each transaction for income and expenses, or at the average exchange rate for the period if it is similar to the exchange rate on the date of a given transaction.

2.5.1.3 Segment reporting

Shares in the Cellfish subsidiary (to which the Transferred Legacy Business will be spun off) will be distributed to the Company's current shareholders before the General Meeting of shareholders. As a result, and although the Company will retain part of the legacy business (the Retained Legacy Business) after the General Meeting of shareholders, the Registration Document mainly contains a detailed presentation of the Video Business. The Retained Legacy Business is expected to decrease in scale in the next few years.

2.5.1.4 Main items of the Company's consolidated income statement

The main items on the Group's consolidated income statement, which management uses to analyse its consolidated results, are described below.

Revenue

The Group's revenue comes from subscriptions recognised on the basis of the ex-VAT price paid by the end-customer where the Group is regarded as the publisher of the service (principal) and recognised net of distribution commissions where the Group is regarded only as a content provider (agent).

The Group applies IFRS 15 when recognising revenue.

The Group identifies the various services it offers and determines whether they are distinct within the customer contract. Where one or more performance obligations are identified, the Group apportions the transaction price between them, taking into account any variable consideration.

For each performance obligation, the Group also assesses whether it controls the good or service before it is transferred to the end-customer.

If the Group has control, it acts as principal and recognises the gross proceeds from the service, which correspond to the selling price before remuneration paid to intermediaries. For example, when distributors pay the Group after deducting invoicing commissions, the Group recognises the proceeds from the service, before the deduction of commissions, as revenue. Otherwise, the Group acts as agent and recognises the net proceeds as revenue, i.e. the selling price less remuneration paid to intermediaries. Taking the previous example, the Group would recognise the proceeds from the service less commission as revenue.

Cost of sales

This item mainly consists of:

- Distribution commissions: commissions for invoicing and collecting money from telecoms operators, platforms like Google, Apple and Amazon, and payment providers such as card issuers, Paypal and SEPA payment providers like Stripe when the Group acts as principal;
- Licensing costs and royalties paid to video content rights owners, corresponding to royalties paid to rights owners for the use of licensed content libraries and channels;
- Content delivery costs (capture and streaming, customer service and other operator costs);
- Personnel costs, including salaries and the cost of external service providers.

Gross profit

Gross profit is revenue minus cost of sales.

Technological and development costs

This item mainly consists of personnel costs (including salaries, the cost of external service providers and expenses) and amortisation of the channel platform.

Sales and marketing costs

This item consists of advertising and communication costs (including revenue-sharing with talents and media groups) and personnel costs (including salaries and the cost of external service providers).

General and administrative expenses

This item consists mainly of personnel costs (including the cost of external service providers and management fees), technical infrastructure costs, operational and communication costs (taxes, fees and consulting expenses), and depreciation and amortisation of right-of-use assets, workstations and office fixtures and fittings.

Operating income

Operating income is gross profit minus technological and development costs, sales and marketing costs and general and administrative expenses.

Net financial income/expense

Net financial income/expense comprises the cost of debt, income from financial investments and foreign exchange gains, whether realised or not.

Net income

Net income comprises operating income, net financial income/expense, current tax income/expense and deferred tax income/expense.

2.5.1.5 Main performance indicators

The main financial performance indicator used by the Company's management is operating income, which is the difference between operating revenue and operating expenses.

The Company uses this indicator to monitor and assess its operational and sector performance, and to implement its investment and resource-allocation strategy. In the Company's view, this indicator should allow investors to gauge its operational performance.

The Group also monitors information contained in the cash flow statement, i.e. net cash flow from operating activities, investing activities and financing activities (see section 2.5.6 of the Registration Document).

2.5.2 The Company's unaudited proforma consolidated financial information for the 12-month period ended 31 December 2019

In this section, unless otherwise mentioned, figures for the financial years ended 31 December 2019 and 31 December 2018 are taken from the Proforma Financial Information for the 12-month periods ended 31 December 2019 and 31 December 2018.

In thousands of euros	**2019**	**2018**	**Change**
Revenue	23,641	17,880	32.2%
of which Video Business	18,391	10,038	83.2%
of which Retained Legacy Business	5,250	7,842	-33.0%
Cost of sales	(9,860)	(8,088)	21.9%
of which Video Business	(8,587)	(5,124)	67.6%
of which Retained Legacy Business	(1,273)	(2,965)	-57.1%
Gross profit	**13,781**	**9,792**	**40.7%**
of which Video Business	9,804	4,915	99.5%
of which Retained Legacy Business	3,977	4,877	-18.5%
Technological and development costs	(2,823)	(2,309)	22.3%
of which Video Business	(2,401)	(1,780)	34.8%
of which Retained Legacy Business	(423)	(529)	-20.1%
Sales and marketing costs	(12,854)	(10,495)	22.5%
of which Video Business	(12,019)	(9,410)	27.7%
of which Retained Legacy Business	(835)	(1,085)	-23.1%
General and administrative expenses	(3,649)	(3,356)	8.7%
of which Video Business	(2,994)	(2,660)	12.6%
of which Retained Legacy Business	(655)	(696)	-6.0%
Operating income	**(5,545)**	**(6,368)**	**-12.9%**
of which Video Business	(7,610)	(8,935)	-14.8%
of which Retained Legacy Business	2,065	2,567	-19.5%

The table below sets out the main items relating to the Video Business alone:

In thousands of euros - Video Business	**2019**	**2018**	**Change**
Revenue	18,391	10,038	83.2%
Cost of sales	(8,587)	(5,124)	67.6%
Gross profit	**9,804**	**4,915**	**99.5%**
Technological and development costs	(2,401)	(1,780)	34.8%
Sales and marketing costs	(12,019)	(9,410)	27.7%
General and administrative expenses	(2,994)	(2,660)	12.6%
Operating income	**(7,610)**	**(8,935)**	**-14.8%**

2.5.2.1 Revenue

In the 12-month period ended 31 December 2019, proforma revenue rose by €5.7 million or 32.2% year-on-year. The improvement mainly arose from the 83% increase in revenue from the Video Business in 2019, which offset the 33% decline in revenue from the Retained Legacy Business. That growth enabled the Company to increase its subscriber base to 188,000.

2.5.2.2 Gross profit

In thousands of euros	2019	2018	Change (total)
Revenue	23,641	17,880	32.2%
of which Video Business	18,391	10,038	83.2%
of which Retained Legacy Business	5,250	7,842	-33.0%
Cost of sales	(9,860)	(8,088)	21.9%
of which Video Business	(8,587)	(5,124)	67.6%
of which Retained Legacy Business	(1,273)	(2,965)	-57.1%
Gross profit	**13,781**	**9,792**	**40.7%**
of which Video Business	9,804	4,915	99.5%
of which Retained Legacy Business	3,977	4,877	-18.5%
Gross margin			
(% of proforma revenue)	*58.3%*	*54.8%*	
Video Business	*53.3%*	*49.0%*	
Retained Legacy Business	*75.8%*	*62.2%*	

Cost of sales as a percentage of proforma revenue was 45.2% in 2018 and 41.7% in 2019.

The €1,772 thousand increase in cost of sales in 2019 was driven mainly by video content licensing costs, which move in line with revenue.

<u>Cost of sales</u>

In thousands of euros	2019	2018	Change (total)
Distribution commissions	(4,712)	(4,437)	6.2%
Content licensing costs	(3,251)	(1,797)	80.9%
Personnel costs	(926)	(914)	1.3%
Other	(971)	(940)	3.3%
Total cost of sales	**(9,860)**	**(8,088)**	**21.9%**
As a percentage of revenue	*41.7%*	*45.2%*	

Distribution commissions as a percentage of revenue fell year-on-year in 2019 because of the Retained Legacy Business's share of distribution agreements in which the Group acts as agent.

Content licensing costs rose in line with revenue in the Video Business and were also boosted by the addition of traditional TV channels to TVPlayer in the UK.

2.5.2.3 Operating income

- Technological and development costs

In thousands of euros	2019	2018	Change (total)
Personnel costs	(2,580)	(2,262)	14.1%
Amortisation of the channel platform	(243)	(47)	417.0%
Total technological and development costs	**(2,823)**	**(2,309)**	**22.3%**
As a percentage of revenue	*11.9%*	*12.9%*	

The €514 thousand year-on-year increase in technological and development costs in 2019 was caused by a 14% increase in staffing to support revenue growth in the video services business and the amortisation of software development costs relating to the channel platform, which have been capitalised since January 2018.

- Sales and marketing costs

In thousands of euros	**2019**	**2018**	**Change (total)**
Advertising and communication costs	(10,714)	(8,596)	24.6%
Personnel costs	(2,140)	(1,899)	12.7%
Total sales and marketing costs	(12,854)	(10,495)	**22.5%**
As a percentage of revenue	*54.4%*	*58.7%*	

The €2,359 thousand increase in sales and marketing costs in 2019 was driven mainly a 25% rise in advertising and communication expenditures, which during the year helped drive a 110% increase in the subscriber base to 188,000 at end-December 2019.

- General and administrative expenses

In thousands of euros	**2019**	**2018**	**Change (total)**
Personnel costs	(1,532)	(1,396)	9.7%
Technical infrastructure	(440)	(397)	10.8%
Operational and communication costs	(954)	(1,048)	-9.0%
Depreciation and amortisation	(722)	(516)	39.9%
Total general and administrative expenses	**(3,649)**	**(3,356)**	**8.7%**
As a percentage of revenue	*15.4%*	*18.8%*	

The €293 thousand increase in general and administrative expenses in 2019 was the result of the development needs of the Video Business.

- Operating income

As a result of the aforementioned changes in the various items on the proforma income statement, the operating loss reduced by 13% in 2019.

The table below breaks down the operating income (or loss) of the Video Business and Retained Legacy Business by main item.

In thousands of euros - Video Business	**2019**	**2018**	**Change**
Revenue - Video Business	18,391	10,038	83.2%
Gross profit - Video Business	9,804	4,915	99.5%
Gross margin (% of revenue) - Video Business	*53.3%*	*49.0%*	
Operating income - Video Business	(7,610)	(8,935)	-14.8%
Operating margin (% of revenue) - Video Business	*-41.4%*	*-89.0%*	

In thousands of euros - Retained Legacy Business	2019	2018	Change
Revenue - Retained Legacy Business	5,250	7,842	-33.0%
Gross profit - Retained Legacy Business	3,977	4,877	-18.5%
Operating income - Retained Legacy Business	2,065	2,567	-19.5%

2.5.2.4 Net financial income/expense

Proforma net financial income/expense is not presented. Please refer to section 2.5.4.4 of the Registration Document.

2.5.2.5 Consolidated net income

Proforma consolidated net income is not presented. Please refer to section 2.5.4.5 of the Registration Document.

2.5.3 Analysis of the Company's unaudited proforma consolidated financial information for the six-month period ended 30 June 2020

In this section, unless otherwise mentioned, figures for the six-month periods ended 30 June 2020 and 30 June 2019 are taken from the Proforma Financial Information for the six-month periods ended 30 June 2020 and 30 June 2019.

In thousands of euros	First half 2020	First half 2019	Change
Revenue	13,668	10,138	34.8%
of which Video Business	11,625	7,498	55.0%
of which Retained Legacy Business	2,044	2,640	-22.6%
Cost of sales	(6,458)	(4,116)	56.9%
of which Video Business	(6,024)	(3,361)	79.2%
of which Retained Legacy Business	(433)	(755)	-42.6%
Gross profit	**7,211**	**6,022**	**19.7%**
of which Video Business	5,601	4,137	35.4%
of which Retained Legacy Business	1,610	1,885	-14.6%
Technological and development costs	(1,913)	(1,262)	51.5%
of which Video Business	(1,822)	(1,025)	77.7%
of which Retained Legacy Business	(91)	(237)	-61.5%
Sales and marketing costs	(7,460)	(6,666)	11.9%
of which Video Business	(7,393)	(6,032)	22.6%
of which Retained Legacy Business	(67)	(634)	-89.5%
General and administrative expenses	(2,500)	(1,695)	47.5%
of which Video Business	(2,363)	(1,388)	70.6%
of which Retained Legacy Business	(138)	(307)	-57.0%
Operating income	**(4,663)**	**(3,602)**	**41.4%**
of which Video Business	(5,977)	(4,308)	38.9%
of which Retained Legacy Business	1,314	706	86.9%

The table below sets out the main items relating to the Video Business alone:

In thousands of euros - Video Business	**First half 2020**	**First half 2019**	**Change**
Revenue	11,625	7,498	55.0%
Cost of sales	(6,024)	(3,361)	79.2%
Gross profit	**5,601**	**4,137**	**35.4%**
Technological and development costs	(1,822)	(1,025)	77.7%
Sales and marketing costs	(7,393)	(6,032)	22.6%
General and administrative expenses	(2,363)	(1,388)	70.2%
Operating income	**(5,977)**	**(4,308)**	**38.7%**

2.5.3.1 Revenue

In the six-months ended 30 June 2020, proforma revenue rose by 34.8% year-on-year. In particular, revenue in the Video Business grew by 55.0%, driven by the rise in subscriber numbers resulting from the increase in available content, the number of talents and media groups and therefore the number of SVoD channels, the expansion of the distribution network, development of the platform, TVPlayer and Alchimie Studio, and international expansion. In addition, proforma revenue in the Video Business in the second quarter of 2020 rose compared with the first quarter of 2020 as a result of positive commercial momentum, particularly in France and Spain. In the first half of 2020, the Company recruited staff to meet the challenges of business growth and to put together an organisation, which is capable of continuing and stepping up acquisitions of new video content licences and launching new channels on a platform suited to the task. The public health crisis resulting from the coronavirus pandemic did not lead to any delay in the development of the platform or new channel launches. The Company introduced remote working arrangements for all Group staff members in mid-March 2020.

2.5.3.2 Gross profit

In thousands of euros	**First half 2020**	**First half 2019**	**Change (total)**
Revenue	13,668	10,138	34.8%
of which Video Business	11,625	7,498	*55.0%*
of which Retained Legacy Business	2,044	2,640	*-22.6%*
Cost of sales	(6,458)	(4,116)	56.9%
of which Video Business	(6,024)	(3,361)	*79.2%*
of which Retained Legacy Business	(433)	(755)	*-42.6%*
Gross profit	**7,211**	**6,022**	*19.7%*
of which Video Business	5,601	4,137	*35.4%*
of which Retained Legacy Business	1,610	1,885	*-14.6%*
Gross margin			
(% of proforma revenue)	*52.8%*	*59.4%*	
Video Business	*48.2%*	*55.2%*	
Retained Legacy Business	*78.8%*	*71.4%*	

Cost of sales as a percentage of proforma revenue was 40.6% in the first half of 2019 and 47.2% in the first half of 2020.

The €2,346 thousand increase in cost of sales in the first half of 2020 relative to the year-earlier period was driven mainly by:

(i) a €550 thousand increase in distribution commissions, in line with the increase in revenue;

(ii) a €1,273 thousand increase in video content costs due to efforts to broaden and improve the offering, particularly content available on TVPlayer in the UK, acquired in September 2019;

(iii) a €442 thousand rise in streaming and capture costs due to increased usage, particularly in the UK with the TVPlayer app.

Cost of sales

In thousands of euros	**First half 2020**	**First half 2019**	**Change (total)**
Distribution commissions	(2,645)	(2,095)	26.3%
Content licensing costs	(2,466)	(1,193)	106.7%
Personnel costs	(501)	(423)	18.4%
Other	(846)	(404)	109.4%
Total cost of sales	(6,458)	(4,116)	56.9%
As a percentage of revenue	*47.2%*	*40.6%*	

2.5.3.3 Operating income

- Technological and development costs

In thousands of euros	**First half 2020**	**First half 2019**	**Change (total)**
Personnel costs	(1,725)	(1,158)	49.0%
Amortisation of the channel platform	(188)	(105)	79.0%
Total technological and development costs	(1,913)	(1,262)	51.5%
As a percentage of revenue	*14.0%*	*12.5%*	

The €651 thousand increase in technological and development costs in the first half of 2020 relative to the year-earlier period was due to efforts to improve the channel platform's functionality, and in particular to provide talents and media groups with a beta version of Alchimie Studio. The aim of Alchimie Studio is to reduce channel's running costs by giving talents and media groups autonomy through improved functionality.

- Sales and marketing costs

In thousands of euros	**First half 2020**	**First half 2019**	**Change (total)**
Advertising and communication costs	(6,262)	(5,554)	12.7%
Personnel costs	(1,198)	(1,112)	7.7%
Total sales and marketing costs	**(7,460)**	**(6,666)**	**11.9%**
As a percentage of revenue	*54.6%*	*65.8%*	

The €794 thousand increase in sales and marketing costs in the first half of 2020 relative to the year-earlier period was driven by efforts to promote services in the UK, France, Spain and Austria.

- General and administrative expenses

In thousands of euros	**First half 2020**	**First half 2019**	**Change (total)**
Personnel costs	(1,038)	(661)	57.0%
Technical infrastructure	(288)	(204)	41.2%
Operational and communication costs	(491)	(434)	13.1%
Depreciation and amortisation	(683)	(397)	72.0%
Total general and administrative expenses	**(2,500)**	**(1,695)**	**47.5%**
As a percentage of revenue	*18.3%*	*16.7%*	

The €805 thousand increase in general and administrative expenses in the first half of 2020 relative to the year-earlier period was caused by the build-up of support functions to help the Alchimie Rights and Alchimie Channels teams sign new video content licensing contracts and channel co-publishing contracts.

- Operating income

As a result of the aforementioned changes in the various items on the proforma income statement, the operating loss increased by 41% year-on-year in the first half of 2020.

The table below breaks down the operating income (or loss) of the Video Business and Retained Legacy Business by main item.

In thousands of euros - Video Business	**First half 2020**	**First half 2019**	**Change**
Revenue - Video Business	11,625	7,498	55.0%
Gross profit - Video Business	5,601	4,137	35.4%
Gross margin (% of revenue) - Video Business	*48.2%*	*55.2%*	
Operating income - Video Business	(5,977)	(4,308)	38.9%
Operating margin (% of revenue) - Video Business	*-51.5%*	*-57.5%*	

In thousands of euros - Retained Legacy Business	**First half 2020**	**First half 2019**	**Change**
Revenue - Retained Legacy Business	2,044	2,640	-22.6%
Gross profit - Retained Legacy Business	1,610	1,885	-14.6%
Operating income - Retained Legacy Business	1,314	706	86.9%

Operating income in the Retained Legacy Business increased because of the decision to stop marketing services and limit operating expenses to those required to keep the business running.

2.5.3.4 Net financial income/expense

Proforma net financial income/expense is not presented. Please refer to section 2.5.5.4 of the Registration Document.

2.5.3.5 Consolidated net income

Proforma consolidated net income is not presented. Please refer to section 2.5.5.5 of the Registration Document.

2.5.4 Analysis of Aspin Management's results for the years ended 31 December 2019 and 31 December 2018

In this section, unless otherwise mentioned, figures for the years ended 31 December 2019 and 31 December 2018 are taken from the 2018-2019 Full-Year Consolidated Financial Statements.

The breakdown of the Group's results between the Retained Legacy Business and Transferred Legacy Business in 2019 and 2018 is presented in detail in section 2.5.2 of the Registration Document, based on unaudited proforma consolidated financial information.

In thousands of euros	**2019**			**2018**		
	Total	**Of which Retained Legacy Business and Video Business**	**Of which Transferred Legacy Business**	**Total**	**Of which Retained Legacy Business and Video Business**	**Of which Transferred Legacy Business**
Revenue	34,385	23,641	10,744	38,730	17,880	20,850
Cost of sales	(13,288)	(9,860)	(3,427)	(15,043)	(8,088)	(6,955)
Gross profit	**21,098**	**13,781**	**7,317**	**23,687**	**9,792**	**13,895**
Technological and development costs	(3,420)	(2,823)	(596)	(3,388)	(2,309)	(1,079)
Sales and marketing costs	(14,060)	(12,854)	(1,206)	(16,758)	(10,495)	(6,263)
General and administrative expenses	(4,468)	(3,649)	(819)	(4,969)	(3,356)	(1,613)
Operating income	**(850)**	**(5,545)**	**4,695**	**(1,428)**	**(6,368)**	**4,940**
Net cost of debt	(187)			(216)		
Other financial income and expense	(13)			(95)		
Net financial income/expense	**(201)**			**(311)**		
Income before tax	**(1,051)**			**(1,739)**		
Current tax benefit (expense)	47			380		
Deferred tax benefit (expense)	114			82		
Consolidated net income	**(890)**			**(1,277)**		
Consolidated net income as a percentage of revenue	-38%			-3%		

2.5.4.1 Revenue

The table below breaks down Aspin Management's 2019 and 2018 revenue by geographical zone:

Revenue by geographical zone	**2019**		**2018**	
In thousands of euros	**Amount**	**%**	**Amount**	**%**
France	14,784	43.0%	23,625	61.0%
Germany	15,209	44.2%	9,401	24.3%
UK	3,448	10.0%	3,644	9.4%
Australia	0	0.0%	1,275	3.3%
Other	943	2.7%	785	2.0%
Total	**34,385**	**100%**	**38,730**	**100%**

Revenue in 2019 amounted to €34,385 thousand, 11.2% lower than the 2018 figure of €38,730 thousand.

The decrease mainly stemmed from the Legacy business in France following the decision to stop marketing legacy services in order to focus on developing the Video Business.

The table below breaks down revenue by geographical zone in the Video Business in 2019 and 2018:

In thousands of euros	**2019**			**2018**		
	Amount	**%**	**Total**	**Amount**	**%**	**Total**
Revenue	18,391	53.5%	34,385	10,038	25.9%	38,730

Revenue in the Video Business rose 83.2% year-on-year in 2019. The improvement resulted mainly from the signature of an agreement in late 2018 to distribute video services via T-Mobile, Germany's leading telecoms operator. At a time when major digital platforms (Amazon, Apple, Google) are offering multiple new payment systems, the German government has embarked on a project to gain a better understanding of the issues and increase transaction security for consumers. A new regulation has forced telecoms operators to stop marketing their payment services for third parties. German operators are currently lobbying against that regulation. Accordingly, the relevant services are no longer being marketed via German telecoms operators while waiting for clarification about the use of the third-party billing solution used by operators. Pending clarification from the German regulator, services are being run for existing consumers and the recruitment of new subscribers is on hold. Revenue is falling because of subscriber churn.

2.5.4.2 Gross profit

In thousands of euros	2019			2018		
	Total	**Of which Retained Legacy Business and Video Business**	**Of which Transferred Legacy Business**	**Total**	**Of which Retained Legacy Business and Video Business**	**Of which Transferred Legacy Business**
Revenue	34,385	23,641	10,744	38,730	17,880	20,850
Cost of sales	(13,288)	(9,860)	(3,427)	(15,043)	(8,088)	(6,955)
Gross profit	**21,098**	**13,781**	**7,317**	**23,687**	**9,792**	**13,895**
Gross margin As a percentage of revenue	*61.4%*	*58.3%*	*68.1%*	*61.2%*	*54.8%*	*66.6%*

- Details regarding cost of sales

In thousands of euros	**2019**	**2018**
Distribution commissions	(7,568)	(10,273)
Content licensing costs	(3,372)	(2,127)
Personnel costs	(1,143)	(1,306)
Other	(1,205)	(1,337)
Total cost of sales	**(13,288)**	**(15,043)**
As a percentage of revenue	*38.6%*	*38.8%*

The cost of sales as a percentage of revenue was stable at 39% in both periods presented.

Cost of sales as a percentage of revenue in the Video Business was 51.0% in 2018 and 46.7% in 2019.

The €1,755 thousand decrease in the cost of sales in 2019 resulted from lower revenue in the legacy business and a reduction in distribution commissions relating to video services.

2.5.4.3 Operating income

- Technological and development costs

In thousands of euros	**2019**	**2018**
Personnel costs	(3,172)	(3,542)
Other	(248)	(154)
Total technological and development costs	**(3,420)**	**(3,388)**
Technological and development costs as a percentage of revenue	*9.9%*	*8.7%*

The €32 thousand increase in technological and development costs (including a €620 thousand increase relating to the Video Business) in 2019 was due to the build-up of technical teams' resources and the development of the Video Business, partly offset by reduced investment in legacy services. In the fourth quarter of 2019, staff focused on integrating the TVPlayer app, acquired in September 2019, into the Company's infrastructure.

- Sales and marketing costs

In thousands of euros	**2019**	**2018**
Advertising and communication costs	(11,426)	(14,034)
Personnel costs	(2,634)	(2,724)
Sales and marketing costs	**(14,060)**	**(16,758)**
Sales and marketing costs as a percentage of revenue	*40.9%*	*43.3%*

The €2,698 thousand decrease in sales and marketing costs sales in 2019 resulted from the discontinuation of legacy services, which reduced promotional costs by €4.9 million, while marketing costs for the promotion of video services rose by €2.3 million.

- General and administrative expenses

In thousands of euros	**2019**	**2018**
Personnel costs	(1,374)	(1,561)
Miscellaneous professional and consulting fees	(685)	(856)
IT and telecoms infrastructure	(742)	(849)
Management fees	(486)	(445)
Amortisation of right-of-use assets	(548)	(441)
Taxes	(203)	(225)
Other	(430)	(593)
General and administrative expenses	**(4,468)**	**(4,969)**
General and administrative expenses as a percentage of revenue	*13.0%*	*12.8%*

The €501 thousand decrease in general and administrative expenses in 2019 was mainly caused by the reduction in support functions and miscellaneous professional and consulting fees.

The €334 thousand increase in general and administrative expenses in the Video Business in 2019 was the result of efforts to support video rights acquisition teams and teams in charge of signing new distribution partnerships.

- Operating income

In thousands of euros	**2019**			**2018**		
	Total	**Of which Retained Legacy Business and Video Business**	**Of which Transferred Legacy Business**	**Total**	**Of which Retained Legacy Business and Video Business**	**Of which Transferred Legacy Business**
Gross profit	21,098	13,781	7,317	23,687	9,792	13,895
Technological and development costs	(3,420)	(2,823)	(596)	(3,388)	(2,309)	(1,079)
Sales and marketing costs	(14,060)	(12,854)	(1,206)	(16,758)	(10,495)	(6,263)
General and administrative expenses	(4,468)	(3,649)	(819)	(4,969)	(3,356)	(1,613)
Operating income	**(850)**	**(5,545)**	**4,695**	**(1,428)**	**(6,368)**	**4,940**
Operating income as a percentage of revenue	*-2.5%*	*-23.5%*	*43.7%*	*-3.7%*	*-35.6%*	*23.7%*

As a result of the aforementioned changes in the various items on the income statement, the operating loss decreased by 40.5% in 2019, and by 14.8% in the Video Business.

2.5.4.4 Net financial income/expense

In thousands of euros	**2019**	**2018**
Net cost of debt	**(187)**	**(216)**
Interest expense	(187)	(216)
Other financial income and expense	**(13)**	(95)
Foreign exchange gain/loss	(13)	(95)
Other financial income	-	-
Net financial income/expense	**(201)**	**(311)**

Net financial expense fell by €110 thousand in 2019.

The improvement mainly resulted from (i) a €82 thousand reduction in other financial expense, principally due to exchange differences relating to the Australian dollar and sterling and (ii) a €29 thousand decrease in the net cost of debt caused by lower senior debt interest expense.

2.5.4.5 Consolidated net income

In thousands of euros	**2019**	**2018**
Revenue	34,385	38,730
Gross profit	**21,098**	**23,687**
Operating income	**(850)**	**(1,428)**
Net financial income/expense	**(201)**	**(311)**
Income before tax	**(1,051)**	**(1,739)**
Current tax benefit (expense)	47	380
Deferred tax benefit (expense)	114	82
Consolidated net income	**(890)**	**(1,277)**
Consolidated net income as a percentage of revenue	*-3%*	*-3%*

As a result of the aforementioned changes in the various items on Aspin Management's income statement, the consolidated net loss in 2019 amounted to €890 thousand, €388 thousand or 30% less than the 2018 figure.

The decrease was mainly due to the improvement in operating income, with lower sales and marketing costs partly offset by a fall in revenue.

- Tax benefit

In thousands of euros	**2019**	**2018**
Income before tax	**(1,051)**	**(1,739)**
Ordinary tax rate - Parent company	28%	33%
Theoretical tax benefit	**294**	**574**
Differences in tax rates	(9)	(4)
Specific tax differences	-	225
Permanent and temporary differences	**(124)**	**(333)**
Tax benefit	161	461

Aspin Management's ordinary tax rate in 2019 was 28% as opposed to 33% in 2018.

The tax benefit includes the effect of differences in tax rates (an expense of €9 thousand in 2019 and €4 thousand in 2018), specific tax differences (benefit of €225 thousand in 2018) and permanent and temporary differences (expense of €124 thousand in 2019 and €333 thousand in 2018).

After adjusting (i) tax expense and (ii) income before tax for these various factors, Aspin Management's effective tax rate (tax expense divided by income before tax) was 15.3% in 2019 and 26.5% in 2018.

2.5.5 Analysis of Aspin Management's interim results for the six-month periods ended 30 June 2020 and 30 June 2019

In this section, unless otherwise mentioned, figures for the six-month periods ended 30 June 2020 and 30 June 2019 are taken from the 2019-2020 Interim Consolidated Financial Statements.

The breakdown of the Group's results between the Retained Legacy Business and Transferred Legacy Business in the first halves of 2020 and 2019 is presented in detail in section 2.5.3 of the Registration Document, based on unaudited proforma consolidated financial information.

In thousands of euros	First half 2020			First half 2019		
	Total	**Of which Retained Legacy Business and Video Business**	**Of which Transferred Legacy Business**	**Total**	**Of which Retained Legacy Business and Video Business**	**Of which Transferred Legacy Business**
Revenue	16,900	13,668	3,232	16,331	10,138	6,193
Cost of sales	(7,442)	(6,458)	(984)	(6,095)	(4,116)	(1,979)
Gross profit	**9,458**	**7,211**	**2,247**	**10,236**	**6,022**	**4,214**
Technological and development costs	(2,009)	(1,913)	(96)	(1,645)	(1,262)	(383)
Sales and marketing costs	(7,435)	(7,460)	24	(7,562)	(6,666)	(896)
General and administrative expenses	(2,639)	(2,500)	(139)	(2,190)	(1,695)	(495)
Operating income	**(2,625)**	**(4,663)**	**2,037**	**(1,162)**	**(3,602)**	**2,441**
Net cost of debt	(150)			(106)		
Other financial income and expense	(33)			(6)		
Net financial income/expense	**(183)**			**(112)**		
Income before tax	**(2,809)**			**(1,274)**		
Current tax benefit (expense)	(252)			(2)		
Deferred tax benefit (expense)	(163)			13		
Consolidated net income	**(3,224)**			**(1,263)**		
Consolidated net income as a percentage of revenue	*-19%*			*-8%*		

2.5.5.1 Revenue

The table below breaks down Aspin Management's first-half 2020 and 2019 revenue by geographical zone:

Revenue by geographical zone	**First half 2020**		**First half 2019**	
In thousands of euros	**Amount**	**%**	**Amount**	**%**
France	6,914	40.9%	7,903	48.4%
Germany	6,273	37.1%	6,558	40.2%
UK	1,852	11.0%	1,532	9.4%
Spain	1,109	6.6%	21	0.1%
Austria	580	3.4%	81	0.5%
Other	171	1.0%	237	1.5%
Total	**16,900**	**100%**	**16,332**	**100%**

Revenue in the first half of 2020 amounted to €16,900 thousand, 3.5% higher than the first-half 2019 figure of €16,331 thousand.

In the first half of 2020, revenue from the Video Business fully offset the natural decline in the legacy business.

The public health crisis resulting from the coronavirus pandemic did not lead to any delay in the development of the platform or new channel launches. The Company introduced remote working arrangements for all Group staff members in mid-March 2020.

The table below breaks down first-half 2020 and 2019 revenue in the Video Business by geographical zone:

In thousands of euros	**First half 2020**			**First half 2019**		
	Video Business	**%**	**Total**	**Video Business**	**%**	**Total**
Revenue	11,625	68.8%	16,900	7,498	45.9%	16,331

Revenue generated by the Video Business rose by €4.1 million or 55% between the first half of 2019 and the first half of 2020. The increase was mainly due to the roll-out of service offerings in France, Spain and the UK, along with the full half-year effect of TVPlayer in the UK, which was acquired in September 2019.

2.5.5.2 Gross profit

In thousands of euros	**First half 2020**			**First half 2019**		
	Total	**Of which Retained Legacy Business and Video Business**	**Of which Transferred Legacy Business**	**Total**	**Of which Retained Legacy Business and Video Business**	**Of which Transferred Legacy Business**
Revenue	16,900	13,668	3,232	16,331	10,138	6,193
Cost of sales	(7,442)	(6,458)	(984)	(6,095)	(4,116)	(1,979)
Gross profit	**9,458**	**7,211**	**2,247**	**10,236**	**6,022**	**4,214**
Gross margin As a percentage of revenue	*56.0%*	*52.8%*	*69.5%*	*62.7%*	*59.4%*	*68.0%*

- Details regarding cost of sales

In thousands of euros	**First half 2020**	**First half 2019**
Distribution commissions	(3,490)	(3,732)
Content licensing costs	(2,483)	(1,273)
Personnel costs	(529)	(563)
Other	(941)	(526)
Total cost of sales	**(7,442)**	**(6,095)**
As a percentage of revenue	*44.0%*	*37.3%*

Cost of sales as a percentage of revenue was 44.0% in the first half of 2020, higher than the 37.3% figure seen in the first half of 2019.

The €1,347 thousand year-on-year increase in the cost of sales in the first half of 2020 arose mainly from the increase in video content costs and other costs (channel capture costs and the costs of using of the TVPlayer app in the UK, which were not incurred in the first half of 2019).

2.5.5.3 Operating income

- Technological and development costs

In thousands of euros	**First half 2020**	**First half 2019**
Personnel costs	(1,820)	(1,532)
Amortisation of the channel platform	(188)	(113)
Total technological and development costs	**(2,008)**	**(1,645)**
Technological and development costs as a percentage of revenue	*11.9%*	*10.1%*

The €364 thousand year-on-year increase in technological and development costs (including a €797 thousand increase relating to the Video Business) in the first half of 2020 was due to the development of Alchimie Studio modules, which will give talents access to channel running, dashboard and performance monitoring functions. Amortisation of the channel platform, expenditure on which has been capitalised since 2018, is continuing as modules and functions – which have a 4-year amortisation period – are developed.

- Sales and marketing costs

In thousands of euros	**First half 2020**	**First half 2019**
Advertising and communication costs	(6,171)	(6,082)
Personnel costs	(1,265)	(1,480)
Sales and marketing costs	**(7,435)**	**(7,562)**
Sales and marketing costs as a percentage of revenue	44.0%	46.3%

The €127 thousand decrease in sales and marketing costs in the first half of 2020 relative to the year-earlier period was mainly due to a reduction in personnel costs. Higher advertising expenditure led to further growth in the subscriber base, with 260,000 subscribers at 30 June 2020.

- General and administrative expenses

In thousands of euros	**First half 2020**	**First half 2019**
Personnel costs	(841)	(625)
Miscellaneous professional and consulting fees	(336)	(344)
IT and telecoms infrastructure	(390)	(381)
Management fees	(249)	(246)
Amortisation of right-of-use assets	(273)	(272)
Taxes	(109)	(110)
Other	(441)	(212)
General and administrative expenses	**(2,639)**	**(2,190)**
General and administrative expenses as a percentage of revenue	*15.6%*	*13.4%*

The €449 thousand increase in general and administrative expenses (including €975 thousand in relation to the Video Business) between the first halves of 2019 and 2020 was due to impairment charges on legacy service brands, for which marketing stopped in 2020.

- Operating income

In thousands of euros	**First half 2020**			**First half 2019**		
	Total	**Of which Retained Legacy Business and Video Business**	**Of which Transferred Legacy Business**	**Total**	**Of which Retained Legacy Business and Video Business**	**Of which Transferred Legacy Business**
Gross profit	9,458	7,211	2,247	10,236	6,022	4,214
Technological and development costs	(2,009)	(1,913)	(96)	(1,645)	(1,262)	(383)
Sales and marketing costs	(7,435)	(7,460)	24	(7,562)	(6,666)	(896)
General and administrative expenses	(2,639)	(2,500)	(139)	(2,190)	(1,695)	(495)
Operating income	**(2,625)**	**(4,663)**	**2,037**	**(1,162)**	**(3,602)**	**2,441**
Operating income as a percentage of revenue	*-15.5%*	*-34.1%*	*63.0%*	*-7.1%*	*-35.5%*	*39.4%*

As a result of the aforementioned changes in the various items on income statement, the operating loss increased by €1,464 thousand year-on-year in the first half of 2020. The operating loss in the Video Business increased by €1,668 thousand year-on-year in the first half of 2020.

2.5.5.4 Net financial income/expense

In thousands of euros	**First half 2020**	**First half 2019**
Net cost of debt	**(150)**	**(106)**
Interest expense	(150)	(106)
Other financial income and expense	**(33)**	**(6)**
Foreign exchange gain/loss	(33)	(6)
Net financial income/expense	**(183)**	**(112)**

Net financial expense increased by €71 thousand year-on-year in the first half of 2020.

The increase arose mainly from (i) a €44 thousand rise in the net cost of debt caused by interest on convertible bonds issued in the first half of 2020 and (ii) a €27 thousand rise in other financial expense, related to exchange differences.

2.5.5.5 Consolidated net income

In thousands of euros	**First half 2020**	**First half 2019**
Revenue	16,900	16,331
Gross profit	**9,458**	**10,236**
Operating income	**(2,626)**	**(1,162)**
Net financial income/expense	**(183)**	**(112)**
Income before tax	**(2,809)**	**(1,274)**
Current tax benefit (expense)	(252)	(2)
Deferred tax benefit (expense)	(163)	13
Consolidated net income	**(3,224)**	**(1,263)**
Consolidated net income as a percentage of revenue	*(19%)*	*(8%)*

The tax expense with respect to the six-month period ended 30 June 2020 was mainly due to operating income generated in Germany by the Alchimie GmbH subsidiary.

As a result of the aforementioned changes in the various items on Aspin Management's income statement, the consolidated net loss in the first half of 2020 amounted to €3,224 thousand, €1,961 thousand or 155% more than the first-half 2019 figure.

2.5.6 Information on the company's capital, liquidity and funding sources

2.5.6.1 General presentation

In this section, Group figures are taken from:

- the 2018-2019 Full-Year Consolidated Financial Statements presented in section 5.1 of this Registration Document;
- the 2019-2020 Interim Consolidated Financial Statements presented in section 5.2 of this Registration Document.

The Group's main regular source of liquidity is cash flow from operating activities.

The Group's main financing needs arise from its working capital requirement, capital expenditure, repayments of bank debt (including interest payments) and, as the case may be, acquisitions.

2.5.6.2 Financial resources and liabilities

2.5.6.2.1 Overview

The Group's ability to generate cash from its ordinary activities depends on its operating performance. To some extent, that performance depends in turn on economic, financial, competition, market, regulatory and other factors, many of which are not under the Group's control (see in particular the risk factors presented in section 3 of this Registration Document). The Group uses its cash and cash equivalents to fund its ordinary operational needs.

The Group's debt is denominated in euros and is owed by Aspin Management, the Group's holding company. At 31 December 2019, that debt consisted mainly of the Initial Loan Agreement (as defined and described in section 2.5.6.2.2.2 of the Registration Document) and convertible bonds issued on 30 April 2020 by Aspin Management and subscribed by HLD

Europe. Aspin Management acts as the financing hub for Group companies, particularly through shareholder current account agreements. The Company will therefore become the financing hub for the Group after the Reorganisation.

The Group did not use any foreign exchange derivative instruments in the periods presented.

As in the financial years ended 31 December 2018 and 31 December 2019 and the six-month period ended 30 June 2020, the Group estimates that in full-year 2020, the funding needs of its ordinary activities will mainly arise from the ongoing growth in video content, the development of new OTT services (talent/media-group channels and a single package), the promotion of those services and ongoing improvements and additions to the video platform's functionality.

Readers are invited to refer also to Notes 5.12, 5.13 and 8.1 to the 2018-2019 Full-Year Consolidated Financial Statements, and to Notes 5.12 and 5.13 to the 2019-2020 Interim Consolidated Financial Statements in section 5 of the Registration Document.

2.5.6.2.2 Financial liabilities

In the two financial years and the half-year period presented, the Group's financial liabilities mainly consisted of bank debt and convertible bonds. At the date of the IPO, the Group's financial liabilities will also include the balance of a shareholder current account, partly replacing the bond issue (see section 2.5.6.2.2.4 of the Registration Document).

2.5.6.2.2.1 The Group's net debt

The table below breaks down the Group's debt at 31 December 2018, 31 December 2019 and 30 June 2020 by type of financial liability.

In thousands of euros	**30 June 2020**	**31 December 2019**	**31 December 2018**
Borrowings from financial institutions (a)	1,835	2,738	3,614
Convertible bonds	3,062	-	-
Debt	4,897	2,738	3,614
Cash and cash equivalents	4,125	4,194	3,978
Net cash/(debt)	**772**	**(1,456)**	**(364)**

(a) Borrowings from financial institutions consist mainly of the Initial Loan Agreement (as defined and described in section 2.5.6.2.2.2 of the Registration Document).

As part of the Reorganisation, the sums relating to the repurchase of preferred shares and the redemption of the convertible bonds, in a total amount of €7,983,781, will be transferred to a shareholder current account in the name of HLD Europe SCA bearing interest at an annual interest rate of 5%, as described in section 2.5.6.2.2.4 of the Registration Document. The balance of the shareholder current account will be reimbursed in full to HLD Europe SCA on the fourth anniversary of the Pricing date, barring early reimbursement, as described in section 2.5.6.2.2.4 of the Registration Document.

The main elements of the Group's financial liabilities are detailed below.

2.5.6.2.2.2 Initial Loan Agreement

On 30 June 2016, Aspin Management as borrower entered into a loan agreement with Société Générale as arranger, agent, collateral agent and lender, Banque Palatine as lender and BRED Banque Populaire as lender (the "Lenders") in a maximum amount of €5.5 million to fund Aspin

Management's repurchase of 5,117,257 of its own class A preferred shares, as part of a reduction in Aspin Management's share capital, along with the related fees (the "Initial Loan Agreement" as subsequently amended).

The Initial Loan Agreement was amended through a first supplementary agreement dated 24 May 2019 ("Supplementary Agreement No. 1"), through which the Lenders agreed to certain amendments to the Initial Loan Agreement resulting from the diversification and repositioning of the Group's activities, including (i) the issue of convertible bonds by Aspin Management, subscribed by HLD Europe, (ii) an increase in HLD Europe's share capital in a total amount of €3 million through the issue of ordinary shares in an amount of €2,500,000 and class A preferred shares in an amount of €500,000 and (iii) an additional financial undertaking through which Aspin Management undertook to maintain consolidated net cash of at least €1 million on the final day of each calendar quarter until 30 June 2020.

On 21 October 2020, Aspin Management obtained the Lenders' agreement to waive their rights to demand early repayment in certain situations and in respect of any breaches of its undertakings that may constitute events of default in respect of the Initial Loan Agreement because of the Reorganisation and the admission of the Company's shares to trading on Euronext Growth Paris.

The Company will also undertake, on the date its shares are admitted for trading on Euronext Growth Paris, to transfer an amount equal to the principal remaining due with respect to the Initial Loan Agreement on that date as cash collateral for the benefit of the collateral agent, on behalf of the Lenders and any hedging bank, and to sign a cash collateral agreement.

Accordingly, adjustments will be made to the Initial Loan Agreement to reflect the undertaking of the Company (which will substitute for Aspin Management as borrower) to keep an amount equal to the principal remaining due with respect to the loan as cash collateral and to enable it to implement its business plan after its shares are admitted for trading on Euronext Growth Paris, i.e.:

- the Company will undertake to transfer and maintain an amount equal to the principal remaining due with respect to the loan on the last day of each calendar quarter as cash collateral for the benefit of the collateral agent, on behalf of the Lenders and any hedging bank, it being understood that the cash collateral will represent a security interest;

- the investment limit (i.e. the limit on any acquisition of moveable or immoveable assets (including any business), financial assets (including acquisitions of securities and ownership rights representing non-controlling interests) or assets of any other kind, tangible or intangible (including acquisitions of assets funded through finance leases), excluding any acquisition authorised by the Initial Loan Agreement as described below) will be set (i) initially, at €1,500,000 with respect to the 2020 financial year and (ii) immediately after the date on which the price of the Company's shares is set definitively in relation to their admission for trading on Euronext Growth Paris, at €2,000,000 with respect to the 2021 financial year; these limitations have been taken into account in the Group's development strategy discussed in section 2.2.3.12 of the Registration Document (it being stipulated that no significant acquisitions are assumed in relation to the attainment of the targets described in section 2.6.2.2 of the Registration Document), and in particular allow improvements in video performance (software development) and hardware and software investments; and

- the Company will be authorised to enter into any finance leases up to an annual limit of €400,000.

Interest and fees

The Initial Loan Agreement bears interest (due quarterly) at (i) the annual Euribor-linked rate for the interest period in question and (ii) a margin that is adjusted annually depending on the leverage ratio (consolidated net debt/consolidated EBIT) as set out in the table below:

Leverage ratio (consolidated net debt/consolidated EBIT)	**Margin**
Leverage ratio ≥ 2.50	2.50% per year
1.5 ≤ Leverage ratio < 2.50	2.20% per year
Leverage ratio < 1.50	2.00% per year

Repayment and term of the Initial Loan Agreement

The Initial Loan Agreement is repayable in annual instalments and its final maturity date is 30 June 2022.

Mandatory early repayment situations

The Initial Loan Agreement includes an obligation for Aspin Management to repay some or all of the loan early, subject to the usual limitations for this kind of loan, in situations including:

- illegality;
- change of control;
- an initial public offering;
- payment of insurance compensation;
- asset disposal;
- excess consolidated cash flow. The amount of any mandatory early repayment depends on the leverage ratio, i.e. the ratio of consolidated net debt to consolidated EBIT. Depending on the leverage ratio in the period concerned, Aspin Management must allocate, unless the Lenders waive that requirement, 50% of excess consolidated cash flow over and above €800,000 to repaying the loan. At 31 December 2019, no mandatory early repayment of the loan had taken place under the excess consolidated cash flow clause;
- disposals of non-current assets over and above €150,000;
- compensation under key person insurance policies;
- failure to comply with a financial ratio.

Undertakings and restrictive covenants

The Initial Loan Agreement contains certain positive and negative undertakings, binding on Aspin Management or any of its subsidiaries subject to the stipulated amounts and the usual exceptions for this type of loan, including undertakings not to:

- grant any security interests;

- grant any credit, advance or loan in any form and of any type to any person;

- carry out any restructuring transactions that may lead to (i) a merger or purchase merger, except for any transaction resulting in Cellfish4Media becoming wholly owned by the Company, (ii) a spin-off or (iii) a change of company structure that may affect the share capital;

- reduce its share capital or amend its articles of association, its legal form, corporate purpose or the nature of its business;

- issue securities (except as part of an employee incentive plan, subject to a limit of 5% of Aspin Management's share capital and voting rights);

- enter into agreements to pledge or assign receivables in any way;

- be party to any joint-venture agreement or any consortium or any partnership in which they may bear unlimited and, as the case may be, joint and several liability;

- make off-balance sheet commitments, except for off-balance sheet commitments made in the normal course of business up to a combined maximum amount of €200,000;

- carry out asset disposals (subject to the limits determined and described in the Initial Loan Agreement); and

- carry out acquisitions except if (i) the enterprise value of the planned acquisition is less than €300,000 and (ii) the enterprise value of the planned acquisition, combined with the enterprise value of each other acquisition carried out during the term of the Initial Loan Agreement, is less than €1,000,000.

The Initial Loan Agreement also requires compliance with financial undertakings in the form of three ratios, which in particular limit the Group's debt. The financial ratios, tested annually over a rolling 12-month period (the "Test Period") must comply with the thresholds indicated in the table below at each testing date:

Test Period ended:	**Leverage ratio (consolidated net debt/consolidated EBIT) lower than:**	**Cash flow cover ratio (consolidated free cash flow/consolidated debt service cost) higher than:**	**Gearing ratio (consolidated net debt / consolidated equity) lower than:**
31 December 2016	2.20	-	1.50
31 December 2017	1.50	1.00	0.90
31 December 2018	1.00	1.00	0.80
31 December 2019	1.00	1.00	0.70
31 December 2020	1.00	1.00	0.70
31 December 2021	1.00	1.00	0.70

At 31 December 2019, the leverage and cash flow cover ratios were not complied with; at Aspin Management's request, the Lenders waived their rights arising from the failure to comply with those ratios with respect to the Test Period ended 31 December 2019. At 31 December 2019, the gearing ratio was -0.23 and complied with the relevant threshold.

Except for the ratios mentioned above, the Group complied with all ratios for all Test Periods.

Supplementary Agreement No. 1 also required Aspin Management, until 30 June 2020, to have a consolidated cash position of at least €1 million on the final day of each calendar quarter, and that requirement was met.

Accelerated maturity situations

The Initial Loan Agreement provided for certain accelerated maturity situations, which are usual in this type of financing (subject to the usual cure periods and exceptions), including: failure to pay a sum due under the Initial Loan Agreement, failure to comply with financial ratios, financial undertakings or any other obligation or representation in the Initial Loan Agreement, the occurrence of any event with a material adverse impact, the occurrence of a cross default relating to a debt owed by Aspin Management or any of its subsidiaries, the commencement of insolvency proceedings, an inability to pay debts, certain transactions relating to the payment of dividends, a refusal to certify the financial statements, and certain transactions to reduce the share capital of Aspin Management and its subsidiaries that result in some or all of the proceeds from such capital reduction to be paid to Aspin Management shareholders, with such events taking place at the level of Aspin Management or any of its subsidiaries.

2.5.6.2.2.3 Convertible bonds

Under Supplementary Agreement No. 1, in which the Lenders agreed to make certain amendments to the Initial Loan Agreement as a result of the diversification and repositioning of the Group's business, on 28 April 2020 Aspin Management issued bonds convertible into ordinary shares in a principal amount of €3.0 million, which were acquired by HLD Europe (the "Convertible Bonds"). The Convertible Bonds pay a fixed annual coupon of 12% per year and may be redeemed at maturity on 30 April 2023.

As part of the Reorganisation linked with the Company's IPO, the Convertible Bonds will be redeemed in full through a transfer to a shareholder current account kept by the Company in the name of HLD Europe SCA (see section 2.3.2 of the Registration Document).

2.5.6.2.2.4 Shareholder current account agreement

As part of the Reorganisation, the sums relating to the repurchase of preferred shares and the redemption of Convertible Bonds (as described in section 2.3.2 of the Registration Document), in a total amount of €7,983,781, will be transferred to a shareholder current account kept by Aspin Management in the name of HLD Europe SCA, and will bear interest at an annual interest rate of 5% (the "Shareholder Current Account"). The agreement governing the Shareholder Current Account will be automatically transferred to the Company in the event that the merger referred to in section 2.3.2 is completed. Sums in the Shareholder Current Account will be reimbursed in full to HLD Europe SCA on the fourth anniversary of the Pricing date, subject to any early reimbursement, provided that the conditions relating to the amount of the cash position and the financing agreements are complied with, (i) on each anniversary of the Pricing date in an amount equal to 10% of the principal in the Shareholder Current Account or (ii) at any time, in part or in whole, at the discretion of Aspin Management.

2.5.6.3 Analysis of the Group's consolidated cash flow in 2018 and 2019

The following table summarises the Group's net cash flow in 2018 and 2019:

In thousands of euros	2019	2018
Net cash generated by (used in) operating activities	117	2,115
Net cash generated by (used in) investing activities	(1,179)	(1,852)
Net cash generated by (used in) financing activities	1,277	(1,111)
Impact of changes in exchange rates and accounting policies	-	-
Change in cash	**216**	**(848)**
Cash position at start of period	3,978	4,826
Cash position at end of period	4,194	3,978

The Group's main sources of liquidity were cash generated by its operating activities and the capital increase subscribed by HLD Europe on 30 September 2019. These cash flows enabled the Group to meet its financial needs in terms of capital expenditure (purchases of intangible assets and property, plant and equipment) and business continuity, subject to one-off requirements arising from the Group's reorganisation and the funding of acquisitions (of companies and technologies).

2.5.6.3.1 Net cash generated by (used in) operating activities

The table below breaks down the Group's cash flow from operating activities in 2018 and 2019.

In thousands of euros	2019	2018
Funds from operations	373	(349)
Change in trade receivables arising from operating activities	1,267	2,028
Change in trade payables arising from operating activities	(1,523)	435
Net cash generated by (used in) operating activities	**117**	**2,115**

In 2019, net cash generated by operating activities amounted to €117 thousand. That resulted from €373 thousand of funds from operations, a €1,267 thousand positive impact from the change in trade receivables arising from operating activities and a €1,523 thousand negative impact from the change in trade payables arising from operating activities.

In 2018, net cash generated by operating activities amounted to €2,115 thousand. That resulted from funds from operations in a negative amount of €349 thousand, a €2,028 thousand positive impact from the change in trade receivables arising from operating activities and a €435 thousand positive impact from the change in trade payables arising from operating activities.

Funds from operations

The table below breaks down the Group's funds from operations in 2018 and 2019.

In thousands of euros	**2019**	**2018**
Total net income of consolidated companies	(890)	(1,277)
Depreciation, amortisation and provisions	1,113	732
Impact of changes in deferred taxes	(42)	(23)
Interest expense	187	216
Funds from operations	**373**	**(349)**

Changes in net income and the components of net income are detailed in section 2.5 of the Registration Document for the periods presented. It should be borne in mind that the transition from proforma net income in 2018 and 2019 to Aspin Management's consolidated net income is presented in the Company's proforma financial information for 2019, included in section 5.7.1 of the Registration Document.

The increase in the "depreciation, amortisation and provisions" item in 2019 was due to the amortisation of capitalised software development costs relating to the channel platform.

The decrease in interest expense in 2019 was due to the reduction in the remaining outstanding balance of senior debt.

Taxes paid

The amount of taxes paid each year by the Group depends on profits generated in the countries in which the Group operates, the tax rules applicable in each country (rules for determining the tax base, tax rates and the schedule for making payments on account and annual balancing payments) and any tax reassessments affecting the Group's subsidiaries.

In 2019, the difference between the tax expense (€47 thousand) and taxes paid was due to the first-time adoption of IFRSs that did not have any cash impact.

In 2018, the difference between the tax expense (€380 thousand) and taxes paid was due to a dividend tax refund of €225 thousand and a carry-back of tax losses, which had an impact of €158 thousand.

Change in working capital requirement

The table below breaks down the changes in the Group's working capital requirement in 2018 and 2019.

In thousands of euros	**2019**	**2018**
Change in trade receivables arising from operating activities	1,267	2,028
Change in trade payables arising from operating activities	(1,523)	435
Change in working capital requirement	**(256)**	**2,463**

The change in the working capital requirement varies mainly according to the Group's overall business levels, but also according to the time taken for revenue to be received from distribution platforms. Distribution platforms' payment times vary between countries. At the end of a quarter or the end of a year, some of them delay payments due at the end of the month until the start of the following month, which can cause significant variations in trade receivables at the end of a period.

Since payments to rights owners generally take place after the Group has received the relevant revenue from distribution platforms, the related trade payables show an inverse correlation with trade receivables. Payment times for the Group's advertising expenditures are more stable.

The change in working capital requirement consumed €256 thousand of net cash in 2019 and generated €2,463 thousand of net cash in 2018.

Change in working capital requirement in 2019

The working capital requirement increased by €256 thousand in 2019, as a result of:

(i) a €1,267 thousand decrease in trade receivables at 31 December 2019, resulting from lower revenue in France and the start of operations in Austria;

(ii) a €1,523 thousand decrease in trade payables at 31 December 2019, caused by a slowdown in the legacy business.

Change in working capital requirement in 2018

The working capital requirement decreased by €2,463 thousand in 2018, as a result of:

(i) a €2,028 thousand decrease in trade receivables at 31 December 2018, resulting from lower revenue during the period, particularly in France and Australia;

(ii) a €435 thousand increase in trade payables at 31 December 2018, caused by an increase in provisions and video content costs during the period.

2.5.6.3.2 Net cash generated by (used in) investing activities

The table below breaks down the Group's net cash generated by (used in) investing activities in 2018 and 2019.

In thousands of euros	**2019**	**2018**
Purchases of non-current assets	(1,069)	(1,389)
Disposals of non-current assets	2	-
Impact of changes in scope of consolidation	(111)	-
Change in receivables and payables relating to non-current assets	-	(463)
Net cash generated by (used in) investing activities	**(1,179)**	**(1,852)**

Net cash flows from the Group's investing activities mainly result from expenditures on intangible assets and property, plant and equipment.

Outflows related to purchases of intangible assets and property, plant and equipment

The Group's recurring expenditures on intangible assets mainly relate to development costs and the cost of purchasing software licences.

The Group's recurring expenditures on property, plant and equipment mainly relate to purchases of IT hardware and network connections for the Group's operating activities, and to a lesser extent purchases of office equipment and expenditure on fixtures and fittings in leased premises.

The Group does not own any real estate. As a result, the Group does not allocate any financial resources to purchasing buildings or technical, commercial or administrative premises.

In 2019, the Group's capital expenditure amounted to €1,179 thousand, including €885 thousand on developing the channel platform and €62 thousand on IT hardware.

In 2018, the Group's capital expenditure amounted to €1,852 thousand, including €1,389 thousand relating to acquisitions, €950 thousand on developing the platform and €467 thousand on IT hardware.

2.5.6.3.3 Net cash generated by (used in) financing activities

The table below breaks down the Group's net cash flow from financing activities in 2018 and 2019.

In thousands of euros	**2019**	**2018**
Increases (decreases) in share capital	3,000	-
Net change in bank facilities	(132)	132
New borrowings	(0)	-
Debt repayments	(917)	(917)
Repayment of lease liabilities	(504)	(135)
Interest paid	(147)	(191)
Net sales (purchases) of own shares	(23)	-
Net cash generated by (used in) financing activities	**1,277**	**(1,111)**

Net cash from financing activities in 2019

The change in net cash from financing activities was due to the capital increase subscribed by HLD Europe on 30 September 2019, partly offset by the payment of the annual instalment on senior debt and related interest, and payments related to lease liabilities.

Net cash from financing activities in 2018

The change in net cash from financing activities was mainly due to the payment of the annual instalment on senior debt and related interest and payments related to lease liabilities, mainly because of a rent-free period obtained in 2018.

2.5.6.4 Analysis of the Group's consolidated cash flow in the first half of 2020

The following table summarises the Group's net cash flow in the six-month periods ended 30 June 2019 and 30 June 2020:

In thousands of euros	**First half 2020**	**First half 2019**
Net cash generated by (used in) operating activities	(1,199)	696
Net cash generated by (used in) investing activities	(750)	(533)
Net cash generated by (used in) financing activities	1,912	(466)
Impact of changes in exchange rates and accounting policies	(32)	-
Change in cash	**(69)**	**(303)**
Cash position at start of period	4,076	3,978
Cash position at end of period	4,007	3,675

The Group's main source of liquidity was the issue of Convertible Bonds, purchased by its owner, in late April 2020. These cash flows enabled the Group to meet its financial needs in terms of capital expenditures (purchases of intangible assets and property, plant and equipment), business continuity and expansion, subject to one-off requirements arising from the Group's reorganisation and the funding of acquisitions (of companies and technologies).

2.5.6.4.1 Net cash generated by (used in) operating activities

The table below breaks down the Group's cash flow from operating activities in the six-month periods ended 30 June 2019 and 30 June 2020.

In thousands of euros	**First half 2020**	**First half 2019**
Funds from operations	**(2,208)**	**(702)**
Dividends received from affiliates	-	-
Change in inventories arising from operating activities	-	-
Change in trade receivables arising from operating activities	91	1,395
Change in trade payables arising from operating activities	918	3
Net cash generated by (used in) operating activities	**(1,199)**	**696**

In the first half of 2020, net cash used in operating activities amounted to €1,199 thousand. That resulted from funds from operations in a negative amount of €2,208 thousand, a €918 thousand positive impact from the change in trade payables arising from operating activities and a €91 thousand positive impact from the change in trade receivables arising from operating activities.

In the first half of 2019, net cash generated by operating activities amounted to €696 thousand. That resulted from funds from operations in a negative amount of €702 thousand, a €1,395 thousand positive impact from the change in trade receivables arising from operating activities and a €3 thousand positive impact from the change in trade payables arising from operating activities.

Funds from operations

The table below breaks down the Group's funds from operations in the six-month periods ended 30 June 2019 and 30 June 2020.

In thousands of euros	**First half 2020**	**First half 2019**
Total net income of consolidated companies	(3,224)	(1,263)
Depreciation, amortisation and provisions	727	463
Impact of changes in deferred taxes	139	(13)
Other non-cash income and expenses	0	5
Interest expense	150	106
Funds from operations	**(2,208)**	**(702)**

The increase in the "depreciation, amortisation and provisions" item in the first half of 2020 was due to the increase in amortisation relating to the channel platform and impairment of brands related to the legacy business during the period.

The increase in interest expense in the first half of 2020 was due to interest on the Convertible Bonds subscribed by HLD Europe.

Change in working capital requirement

The table below breaks down the changes in the Group's working capital requirement in the six-month periods ended 30 June 2019 and 30 June 2020.

In thousands of euros	First half 2020	First half 2019
Change in trade receivables arising from operating activities	91	1,395
Change in trade payables arising from operating activities	918	3
Change in working capital requirement	**1,009**	**1,398**

The change in the working capital requirement varies mainly according to the Group's overall business levels, but also according to the time taken for revenue to be received from distribution platforms. Distribution platforms' payment times vary between countries. At the end of a quarter or the end of a year, some of them delay payments due at the end of the month until the start of the following month, which can cause significant variations in trade receivables at the end of a period.

Since payments to rights owners generally take place after the Group has received the relevant revenue from distribution platforms, the related trade payables show an inverse correlation with trade receivables. Payment times for the Group's advertising expenditures are more stable.

The change in working capital requirement generated €1,009 thousand of net cash in the first half of 2020 and €1,398 thousand in the first half of 2019.

Change in the working capital requirement in the first half of 2020

The change in the working capital requirement in the first half of 2020 was mainly due to the increase in video service promotional costs, mainly in France against the background of the coronavirus lockdown.

Change in the working capital requirement in the first half of 2019

The change in the working capital requirement in the first half of 2019 was due to a reduction in trade receivables resulting from a decline in the legacy business.

2.5.6.4.2 Net cash generated by (used in) investing activities

The table below breaks down the Group's net cash generated by (used in) investing activities in the six-month periods ended 30 June 2019 and 30 June 2020.

In thousands of euros	**First half 2020**	**First half 2019**
Purchases of non-current assets	(750)	(497)
Change in receivables and payables relating to non-current assets	-	(36)
Net cash generated by (used in) investing activities	**(750)**	**(533)**

Net cash flows from the Group's investing activities mainly result from expenditures on intangible assets and property, plant and equipment.

Outflows related to purchases of intangible assets and property, plant and equipment

The Group's recurring expenditures on intangible assets mainly relate to development costs and the cost of purchasing software licences.

The Group's recurring expenditures on property, plant and equipment mainly relate to purchases of IT hardware and network connections for the Group's operating activities, and to a lesser extent purchases of office equipment and expenditure on fixtures and fittings in leased premises.

The Group does not own any real estate. As a result, the Group does not allocate any financial resources to purchasing buildings or technical, commercial or administrative premises.

In the first half of 2020, the Group's capital expenditures amounted to €750 thousand, mainly comprising €690 thousand on developing software for the channel platform.

In the first half of 2019, the Group's capital expenditures amounted to €497 thousand, including €450 thousand on developing software for the channel platform.

2.5.6.4.3 Net cash generated by (used in) financing activities

The table below breaks down the Group's net cash generated by (used in) financing activities in the six-month periods ended 30 June 2019 and 30 June 2020.

In thousands of euros	**First half 2020**	**First half 2019**
New borrowings	3,080	-
Debt repayments	(934)	24
Repayment of lease liabilities	(56)	(265)
Interest paid	(140)	(93)
Net sales (purchases) of own shares	(41)	-
Net change in bank facilities	3	(132)
Net cash generated by (used in) financing activities	**1,912**	**(466)**

Net cash from financing activities in the first half of 2020

The change in net cash from financing activities was due to the issue of Convertible Bonds subscribed by HLD Europe in late April 2020, partly offset by the payment of the annual instalment on senior debt and interest payments.

Net cash from financing activities in the first half of 2019

The change in net cash from financing activities was due to payments relating to lease liabilities and interest on borrowings.

Impact on cash and cash equivalents of changes in exchange rates

The €32 thousand loss corresponds to the difference in the euro/sterling exchange rate between 31 December 2019 and 30 June 2020.

2.6 Information on trends

A detailed description of the Group's results for 2018 and 2019 and the first half of 2020 is provided in section 2.5 of the Registration Document. Readers are also invited to refer to section 2.5 of the Registration Document for a description of the Group's cash flows, financial resources and financial liabilities.

2.6.1 Business trends

The outlook for the Group's business activities and the financial objectives presented in this section are based on assumptions regarding the outlook in the subscription video-on-demand (SVoD) market, which are described in particular in section 2.2.2 of the Registration Document, and the main factors affecting the Group's results, described in section 2.5.1.2 of the Registration Document.

2.6.2 Medium-term objectives

2.6.2.1 General presentation

The objectives presented below are based on data, assumptions and estimates, particularly regarding the economic outlook, that the Group regarded as reasonable at the date of the Registration Document.

The outlook and objectives result from the Group's strategy and do not represent forecasts or estimates of the Group's earnings. The figures, data, assumptions, estimates and targets set out below may change or be adjusted unforeseeably, including as a result of changes in the economic, financial, competitive, legal, regulatory, accounting or tax environment or as a result of other factors of which the Group was not aware at the date of the Registration Document.

Were certain risks described in chapter 3 of the Registration Document (particularly the liquidity risk mentioned in section 3.5.1 of the Registration Document) to materialise, they could have an adverse impact on the Group's markets, activities, financial position, earnings or outlook, and therefore threaten its ability to attain the objectives set out below.

The attainment of those objectives also assumes that the Group's strategy, the implementation of which depends in particular on the capital increase planned as part of the IPO, will be successful.

As a result, the Group makes no representation and gives no warranty regarding the attainment of objectives presented in this section.

The Group has prepared the financial outlook and objectives presented in this section in accordance with the accounting policies applied to Aspin Management's consolidated financial statements for 2018 and 2019 and Aspin Management's unaudited condensed interim consolidated financial statements for the first half of 2020.

2.6.2.2 Financial outlook and objectives

In the next few years, the Group intends to implement the growth strategy described in section 2.2.3.12 of the Registration Document, based on (i) its channel platform, which should result in substantial operational gearing by allowing rapid growth in the number of SVoD channels and subscribers while keeping costs under control, (ii) its rapid international expansion and (iii) its opportunistic acquisitions policy.

The Group expects to generate proforma revenue of around €27 million in 2020, with 330,000 subscribers and 70 SVoD channels at 31 December 2020.

Revenue objectives

Barring major acquisitions and at constant exchange rates, the Group is aiming to achieve:

- revenue of around €58 million in 2022, with 1.2 million subscribers and 210 SVoD channels at 31 December 2022; and

- revenue of around €150 million in 2024, with over 3 million subscribers and more than 600 SVoD channels at 31 December 2024.

Revenue growth depends on growth in:

- the content library, which is expected to exceed 100,000 hours in 2022 and 160,000 hours by the end of 2024; the Group aims to increase its library by more than 2,000 hours per month;

- the number of SVoD channels co-published with talents and media groups, particularly outside France, reaching 210 in 2022 and more than 600 in 2024; the Group expects to increase the rate at which it adds channels from one to three per week;

- the number of subscribers resulting from the increasing scale of the stand-alone offering, with the Group's subscriber base rising from 300,000 at the date of the Registration Document to 1.2 million at the end of 2022 and more than 3 million at the end of 2024, based on an average of 5,000 subscribers per SVoD channel;

- new distribution partnerships; and

- bolt-on acquisitions such as those described in section 2.2.3.12 of the Registration Document.

Revenue objectives do not take into account growth in ARPU12 (as defined in section 5.4.3 of the Registration Document). That indicator, which is expected to be around €24 in 2020, is likely to fall gradually to €20-21 by 31 December 2022, then remain steady until 31 December 2024.

Operating income objectives

The Group is also aiming to achieve:

- profitability at the operating income level in the fourth quarter of 2022;

- operating margin[18] of more than 20% in the long term.

The improvement in profitability depends mainly on:

(i) attaining critical mass by developing SVoD channels jointly published with talents and media groups, which they promote themselves;

(ii) the increasing scale of the stand-alone offering compared with the bundled offering;

(iii) strict management of how costs are apportioned between the various partners, primarily with respect to talents and media groups;

(iv) a reduction in marketing costs as a percentage of revenue;

(v) market developments in line with the trends presented in section 2.2.2 of the Registration Document;

(vi) the ongoing implementation of the Group's strategy, as described in section 2.2.3.12 of the Registration Document;

[18] Operating income as a percentage of revenue.

(vii) no significant change in the economic and financial terms negotiated with distribution platforms compared with those in force at 31 December 2019; and

(viii) no significant change in the regulatory environment (including interpretations that could be adopted by certain national regulators) or tax environment compared with the date of the Registration Document.

However, these objectives do not constitute an undertaking by the Group or forward-looking information or earnings forecasts within the meaning of Commission Delegated Regulation (EU) 2019/980 as amended or of ESMA recommendations regarding forecasts, given the uncertainties and risk factors that could be realised during the period, as mentioned in the introduction to this chapter.

2.6.2.3 Dividend policy

The Group does not intend to start paying dividends in the short to medium term given the Company's stage of development, so that it can dedicate its available resources to funding its development plan.

2.7 Earnings forecasts or estimates

Not applicable.

3. RISK FACTORS

Investors are invited to consider all the information contained in this Registration Document, including the risk factors described below, before deciding whether or not to purchase shares in the Company. Those risks are, at the date of the Registration Document, those which the Company considers as capable of having a material adverse impact on its business activity, financial position, earnings and outlook and which are important when making investment decisions. However, investors' attention is drawn to the fact that the list of risks described in Section 3 of the Registration Document is not exhaustive. Other risks may exist or could occur which, at the date of the Registration Document, were either unknown or not regarded by the Company as capable of having a significant adverse impact on the Group, its business activity, financial position, earnings or outlook.

Pursuant to the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, this Section describes the material risks that could, at the date of the Registration Document, have an adverse impact on the Group's business, financial position, reputation, earnings or outlook, after the impact of any mitigating action plans. Within each of the risk categories referred to below, the risk factors regarded by the Company as the most material at the date of the Registration Document are listed first.

Risk	Probability of occurrence	Magnitude of negative impact	Materiality of the risk
1 – Risks related to the Group's business sector			
Risks related to the rapid change in consumer expectations and behaviour	Average	High	High
Risks related to the competitive environment	Average	Average	Average
2 – Risks related to the Group's strategy			
Risks related to the Group's international expansion	Average	Average	High
Risks related to the implementation of the Group's strategy	Average	Low	Low
Risks related to the execution of the Group's external growth strategy	Average	Low	Low
3 – Risks related to the Group's business operations			
Risks related to the development of talent and media group SVoD channels	Average	Average	High
Risks related to growth in the number of SVoD channels	Low	Low	High
Risks related to reliance on certain distribution platforms	Average	High	High
Risks related to changes in the pricing structure of distribution platforms	Low	Low	High
Risks related to the non-recovery of sums due from distribution platforms	Low	Low	Low
Risks related to the Group's rapid growth and reliance on certain key people	Average	Average	Average
Risks related to the company's relationships with rights owners	Average	Low	Low
4 – Risks related to the Group's technological environment			
Risks related to technological change and the introduction of new services	Low	Average	Average
Risks related to the security of the Group's platforms and cybercrime	Low	Average	Average
Technological risks	Low	Low	Average

Risk	Probability of occurrence	Magnitude of negative impact	Materiality of the risk
5 – Market risks			
Liquidity risk	Average	High	High
Credit or counterparty risk	Low	Average	Average
Interest rate risk	Low	Low	Low
Exchange rate risk	Low	Low	Low
6 – Legal risks			
Risks related to the regulations applicable to the Internet and mobile networks	Average	Average	Average
Risks related to the protection of the Group's intellectual property	Average	Low	Low
Risks related to breach of licence agreements by the Group	Average	Low	Low
Risks related to infringement of the intellectual property rights of another person	Average	Low	Low
Risks related to personal data protection regulations	Average	Low	Low
Risks related to ongoing litigation or investigations	Low	Low	Low

3.1 Risks related to the Group's business sector

3.1.1 Risks related to the rapid change in consumer expectations and behaviour

The Group's growth depends on various factors, principally its ability to offer a growing number of SVoD channels in order to increase its subscriber base. This in turn depends on its ability to identify trends and provide attractive content, as well as the desire of current and potential customers to consume thematic content.

The success of the Group's model for monitoring trends depends on its ability to identify content, talent and media groups and distribution platforms, to evaluate and react quickly to changing consumer demand and to transpose market trends into appropriate SVoD channels. Preferences and trends can change rapidly in the SVoD sector. Consumers may not find the SVoD channels proposed by the Group attractive or may not wish to continue their subscription over time, particularly should the Group fail to assess trends and preferences correctly.

The Group's growth targets thus depend partly on its ability to significantly increase its subscriber base. Should the SVoD channels proposed by the Group fail to or no longer meet consumer trends and preferences (interests, trends, etc.) or should the Group no longer be able to anticipate market trends, its number of subscribers and revenue could fall, which could have a material adverse impact on its business, financial position, earnings, growth and outlook.

As regards the bundles of SVoD channels proposed by the Group (app grouping all or part of the SVoD channels in its library), the Group cannot guarantee that they will be of interest to a large enough audience and thus significantly increase its subscriber base. These bundles may also be in competition with bouquets of channels offered by the telecoms operators. In addition, the Group cannot guarantee that these bundles will not be subject to a lower churn rate than the Group's stand-alone SVoD channels. Thus, the Group may decide to significantly increase its marketing expenses in the years ahead to increase its overall subscriber base or to launch a stand-alone channel, with no guarantee that these marketing campaigns will attract a number of subscribers in line with its investments. Should the group's efforts fail to retain or significantly increase its subscriber base, the cost of acquiring new subscribers could rise, which could have a material adverse impact on its business, financial position, earnings, growth and outlook.

Lastly, the Group considers that the main SVoD companies operating in the top premium content segment will lead to the emergence of a complementary market for thematic content (see Section 2.2 of the Registration Document). However, consumers could tend to subscribe first and foremost to top premium content which attracts a bigger audience and to supplement their subscription with thematic SVoD channels related to one of their main interests, for example. Consequently, should growth in the top premium SVoD market begin to slow down, this could have a negative impact on growth in the market for thematic SVoD channels, which in turn could have a material adverse impact on the Group's business, earnings, financial position, growth and outlook.

3.1.2 Risks related to the competitive environment

The SVoD market in which the Group operates competes with the ad-supported video on demand (AVoD) market (YouTube, Dailymotion) and the transactional video on demand (TVoD) market where consumers pay for each piece of content they access (Apple iTunes, Amazon).

The SVoD market is highly competitive and competition could intensify in the future, including due to the emergence of new market players. The more established companies, which are larger than the Group and have substantial financial resources, in particular large content publishers or international companies such as Netflix, Amazon Prime and Disney+, which may have a content library and potential talents, could target the same markets as the Group and compete head-on with it. Furthermore the telecoms operators and distribution platforms, whether at national or international level, could also decide to insource all or part of the services provided by the Group and offer them at lower cost than the Group (for example, by including them in an overall package to attract more customers). Lastly, smaller sized companies, such as regional media groups, could also launch new services rivalling those of the Group.

The occurrence of one or more of these possibilities could lead to a drop in demand for the Group's services should it be unable to anticipate and react to the competition quickly enough. New entrants in the Group's market or a structural change towards other video on demand services could reduce its market share and have an adverse impact on its business, financial position, growth, earnings and outlook.

3.2 Risks related to the Group's strategy

3.2.1 Risks related to the Group's international roll-out

In the 2018 and 2019 financial years, the Group derived respectively 39% and 57% of its revenue in the international markets (Germany, Spain, UK, Austria and Belgium), an increase of 29.8%. During the six months to 30 June 2020, 59% of the Group's revenue came from international business. One of its strategic objectives is to expand its geographical reach.

This strategy involves a number of risks, particularly related to the local environment (consumer preferences and habits, regulatory and tax environment, etc.). The successful roll-out of the SVoD channels proposed by the Group in new markets could be jeopardised or held back due to competition from SVoD suppliers already operating in those new countries.

International business and expansion of the Group's market share therefore needs resources and careful management, exposing the Group to complexities that increase the risks associated with its business, including:

- differences in the SVoD market dynamics, particularly the relative popularity of SVoD and consumers' propensity to pay for it, and difficulties in adapting the Group's strategy to local conditions;
- difficulties and costs related to hiring staff and managing operations abroad;
- difficulties in understanding and complying with local laws, regulations and customs, as the Group's business activities are subject to different legal and regulatory requirements, particularly as regards intellectual property, copyright and data protection;
- measures taken with regard to content production policy in various countries, requiring the original language of production to be translated into the local language in the countries where the content is to be broadcast (dubbing with no possibility of sub-titling);
- different and potentially less favourable markets for content licences and negotiating with rights owners;
- the need to localise the Group's content and channel platform to align it to local culture, languages and subscriber preferences, and the need to find local talents and media groups;
- exchange rate fluctuations, which could have an impact on the revenue and expenditures of the Group's international business operations, exposing it to exchange rate risk;
- different payment systems, the use and acceptance of electronic payment methods by consumers, as well as collection of the Group's receivables;
- availability of high-speed broadband and reliable mobile coverage, as well as the cost of data;
- reliance on various search engines to promote the Group's products and services;
- different laws on piracy.

Although the Group's activities are not concentrated in a single country, should it experience difficulties and fail to extend its existing service offering to new markets, this could have a material adverse impact on its outlook, business, financial position and operating results.

3.2.2 Risks related to the implementation of the Group's strategy

In order to achieve its growth targets, the Group must significantly expand its content base, number of SVoD channels and subscriber base. The more content made available to the Group by rights owners, the more SVoD channels it will be able to publish by attracting talents and media groups, and the more distribution agreements it will be able to enter into for those SVoD channels and, therefore, increase its subscriber base and revenues. The Group plans to significantly increase the rate of launch of new SVoD channels and to staff up Alchimie Channels (the division responsible for co-publishing SVoD channels) in order to sign more partnerships and develop them in France and abroad. At the date of the Registration Document, the Company had already launched 55 SVoD channels and is launching one new channel per week.

Should the Group's SVoD channels not be considered attractive enough or should the Group fail to offer sufficiently attractive promotional packages, growth in the number of subscribers could decline and the acquisition cost of new subscribers increase. Furthermore, the Group could be unable to convert users of free trial periods and promotions for its SVoD channels into paying customers. The Group's ability to do this depends largely on consumer perception of the benefits of SVoD services and their perception of the quality of the Group's SVoD channels relative to rival services. In order to inform consumers about the quality and features of the Group's SVoD channel offering and to improve its subscriber numbers, the Group plans to actively manage its content, define an editorial policy and schedule advertising windows so that they are seen by users of promotional offers or trial periods. If users were to find the Group's SVoD channels unattractive or consider that a pay subscription did not provide sufficient value, they could decide not to subscribe after the trial period or promotional offer. Consequently, failure to convert users of a promotional offer or trial period into a paying subscription could have a material adverse impact on growth of the Group's subscriber base.

The Group must also minimise churn in its existing subscriber base. Subscribers may cancel their subscriptions for a number of reasons, including the cost, and according to the terms and conditions of subscription, subscribers are free to cancel at any time. For example, the Company estimates that churn is higher for SVoD channels addressing a younger population, which tends to subscribe, cancel and resubscribe regularly. Should a large number of the Group's subscribers cancel their subscriptions during a period, or should the Group be unable to attract enough new subscribers to replace the cancellations during that period, this could have a material adverse impact on the Group's earnings. Furthermore, should a large number of subscribers cancel their subscriptions, the Group would have to incur significant marketing costs to replace them (advertising on search engines or social media via banners or videos), which could have a material adverse impact on its business, financial position, earnings, growth and outlook.

Should the Group be unable to substantially increase its subscriber base and limit churn, this could have a material adverse impact on its business, financial position, earnings, growth and outlook.

3.2.3 Risks related to the execution of the Group's external growth strategy

The Group's strategy is partly based on external growth, such as the acquisition of Tévolution in 2017 and the assets of TVPlayer in 2019 (see Section 2.2.3.12 of the Registration Document). The Group could therefore decide to acquire new companies in the future to diversify its geographical mix, increase its subscriber base and develop new technologies.

However, the Group cannot guarantee that it will be able to identify the best opportunities or complete such acquisitions, nor can it guarantee that it will succeed in integrating any companies or technologies it does acquire. The Group could experience difficulties in managing geographically remote organisations, cultures, systems and infrastructures and could be confronted with broadly unfavourable economic and political conditions. Any significant problem encountered by the Group in integrating new companies, employees or third-party technologies could have an adverse impact on its business, financial position, earnings, growth and outlook.

Furthermore, the acquisition of other companies or technologies could result in significant costs for the Group. It could decide to finance acquisitions through loans, the terms of which could include restrictions that might have an impact on its external growth strategy, or finance them by issuing securities that would have an immediate or future dilutive impact on its shareholders. Acquisitions could be financed by issuing shares of the Company, which could have a dilutive impact on its existing shareholders. The Group could also be confronted with changes in accounting, fiscal or other regulations, which could make acquisitions more difficult or more costly. Such difficulties or additional costs could be caused by the need to comply with regulations in other countries, particularly with regard to the protection of intellectual property rights in some countries.

The occurrence of one or more of these risks could have an adverse impact on the Group's business, financial position, earnings, growth and outlook.

3.3 Risks related to the Group's business operations

3.3.1 Risks related to the development of talent or media group SVoD channels

The ability to identify talents and media groups capable of attracting and retaining a large number of subscribers is a key success factor for the Group in an environment of strong mobility and competition. The Group is implementing a strategy to attract and retain talents and media groups to preserve its business momentum and reputation. For example, talents and media groups commit to the Group for periods of one to three years, renewable automatically unless specifically terminated. The Group does not necessarily have an exclusivity agreement. Should the Group lose the support of some of those talents or media groups or no longer be able to attract and retain new ones, this could have an adverse impact on its growth prospects or its financial position due to a fall in sales and profits.

If the talents or media groups were to lose viewers due to a fashion effect or a loss of visibility and difficulties in sustaining the success of a channel that is intrinsically linked to the person and the involvement of the talent or media group, this could also have a material adverse impact on the Group's reputation. For example, on average, a channel comprises 50 hours of available content, which is refreshed at a rate of 10% to 15% per month. At the date of the Registration Document, consumption stood at about 4 hours per month per subscriber across all the SVoD channels launched. However, some SVoD channels are forced to shut down if they are not successful enough or if the talent or media group is not sufficiently committed to promoting the channel. To avoid a negative return on investment, the agreements require the talent or media group to make a minimum number of social media posts or media mentions to promote the service and reduce the Group's risk. The talent or media group is not required to make any upfront investment other than in the time spent on curating the content and on the launch marketing plan. Furthermore, should talents or media groups broadcast controversial comments or content when promoting their channel, for which the Group could be held responsible, this could have a material adverse impact on its reputation and image, which in turn could have an adverse impact on its business, earnings, financial position and outlook.

3.3.2 Risks related to growth in the number of SVoD channels

At the date of the Registration Document, the Company had already published 55 SVoD channels and is launching one new channel per week. Rapid growth in the number of the Group's SVoD channels implies and will continue to imply major requirements in terms of its management and its operating, administrative and financial resources. The SVoD market is evolving rapidly and the Group's management must forecast future needs and implement effective plans to ensure that the Group has sufficient growth capacity in an uncertain market environment. For example, depending on their subscriber potential, talents and media groups receive more or less personalised treatment. Those with the potential to generate a very large amount of revenue may be eligible for premium support from one of the Group's talent managers. Those with less potential to attract a large number of subscribers are invited to manage their channel themselves using the Alchimie Studio interface. They therefore have autonomy in the choice of content, promotions and statistics monitoring and are responsible for managing their publications. The Group is merely a co-publisher. The Group's growth therefore increases the complexity of its operations and in so doing the difficulties in managing the development of each channel efficiently. Any failure to accurately forecast the needs of each of the Group's channels could lead to an inefficient or sub-optimal allocation of the Group's resources. There is no guarantee that the Group will allocate its resources efficiently to ensure its future growth, which could have an adverse impact on its business, financial position, growth, earnings and outlook.

3.3.3 Risks related to relations between the Group and its distribution platforms

3.3.3.1 Risks related to reliance on certain distribution platforms

The Group derives most of its revenue from a small number of distribution platforms managed by telecoms operators. The Group's top 10 customers (comprising some distribution platforms managed by telecoms operators) contributed 94% of the Group's revenue in 2019 and its top customer MBE (Germany) contributed 42%. Furthermore, at 31 December 2019, 98% of the Group's consolidated revenue was derived from distribution platforms.

Although the Group has contractual and commercial relationships with more than 60 distribution platforms, it cannot rule out the potential loss of one or more of those distribution platforms, a significant drop in the volume of services provided, a substantial change in the conditions governing their commercial relationship or a failure of one of them. For example, a distribution platform that has contracted with the Group could enter into a distribution agreement with a rival company that offers it minimum guaranteed payments, and could decide to move the position of the SVoD channels proposed by the Group to a less attractive place on its portal, to the benefit of the rival company. Such events and their collateral impacts, such as the deterioration or loss of the commercial relationships with customers belonging to the same group, could have a material adverse impact on the Group's business, financial position, growth, earnings and outlook.

Furthermore, the success of the Group's bundled and stand-alone channels through the distribution platforms depends on the distribution platform's brand power and brand loyalty in a highly competitive environment. Consumer expectations for a TV brand or ISP can change rapidly and unforeseeably. Should one of more of the Group's distribution platforms be unable to maintain and develop its subscriber base, provide high-quality services and products to its subscribers, suffer reputational harm, go bankrupt or suffer other commercial difficulties, this could also affect the Group's subscriber base, revenue, brand and reputation. For bundled channels in particular, subscribers could hold the Group responsible for any problems related to the services provided by the distribution platforms, which could harm its reputation and reduce its ability to retain its subscribers.

Lastly, the Group's ability to derive revenue from these distribution platforms depends largely on the efforts they make to promote the Group's SVoD channels. This is particularly the case when its SVoD channels are proposed independently rather than bundled into the distribution platform's product or service, as a consumer then has to subscribe specifically to the Group's SVoD channel or channels and the promotional efforts made by the distribution platform can have a significant influence on the subscriber's decision. Furthermore, the Group's distribution platforms may have other priorities or may decide that promoting the Group's SVoD channels is not the best use of their marketing and promotional resources. If the distribution channels do not make sufficient efforts to promote the Group's SVoD channels, it could have difficulties in achieving its growth targets.

3.3.3.2 Risks related to changes in the pricing structure of distribution platforms

Historically the majority of the Group's subscribers were acquired through various distribution agreements with first-class telecoms operators, particularly Orange in France (see Section 6.7 of the Registration Document), coupled with online promotions. The distribution platforms remain a key element of the Group's sales channels and growth strategy. It is essential for the Group to obtain distribution agreements in new geographical markets in order expand its reach.

Entering into and maintaining agreements with such distribution platforms requires major investment in time, resources and work. The Group could be unable to obtain such agreements on acceptable conditions, which could have material adverse impact on its business, earnings and financial position.

Should the Group be unable to obtain distribution agreements with first-class telecoms operators or other companies with complementary business activities (such as manufacturers of smartphones, smart TVs and set top boxes, and digital platforms) on acceptable conditions, the proportion of revenue generated by distribution platforms could decline.

Furthermore, the Group enters into distribution agreements for a term of one year, renewable automatically unless specifically terminated. The revenues from distribution agreements are shared. When the monthly or weekly subscription is billed, the distribution platforms keep between 10% and 40% of the revenue, with an average of 20%. The distribution agreements cover the provision of stand-alone SVoD channels or an app containing a bundle of channels from the Group's library, presented on a mobile, landline or TV portal. When the SVoD channels are sold on a stand-alone basis, they are then accessible in an app or a service that generally carries the distribution platform's name. The subscription may be billed monthly, weekly or annually. In 2020, the average subscription price was €4.99 per month for a single channel and €9.99 per month for a bundle of SVoD channels. Should the Group's revenue from these services prove insufficient to cover the cost of supplying them, including royalty payments to rights owners, this could have a material adverse impact on the Group's business, earnings and financial position.

3.3.3.3 Risks related to the non-recovery of sums due from distribution platforms

The Group provides SVoD channels through distribution platforms mainly managed by telecoms operators. In the vast majority of cases, the main customers analysed in the review of the Group contributed 94% of the Group's consolidated revenue in 2019 and are directly or indirectly telecoms operators or marketplaces (Amazon, Google, Apple) which comply with their commitments, in particular payment terms and revenue collected on behalf of the Group.

The distribution platforms are responsible for collecting revenue from the sale of SVoD channels provided by the Group via their respective networks. They then pay an agreed percentage to the Group several weeks after the SVoD channel or channels have been provided to the end consumer. Payment periods practised by the distribution platforms differ from one country to another. Furthermore, at the end of the quarter or year, some of them carry over their end-of-month payments to the beginning of the following month, which can cause significant variances in end-of-period trade receivables. The Group is thus exposed to a medium-term commercial risk of compensation for any non-payment or payment delays suffered by the distribution platforms during that period. However, the risk of non-payment by the end customer does not apply to payment by prepaid card, which is the most commonly used payment method across the world. Should one of the distribution platforms become insolvent or fail to comply with its commitments, this could have a material adverse impact on the Group's results.

A lengthening of payment periods by the distribution platforms or their failure to pay could have adverse consequences on the Group's business, financial position, earnings and outlook.

3.3.4 Risks related to the Group's rapid growth and reliance on certain key people

The Group's success is predicated partly on the expertise and involvement of its key employees and executives, including its founder, Nicolas d'Hueppe, who will be appointed Chairman and CEO of the Company at the time of the initial public offering, the people in charge of managing talents and media groups, with which a personal relationship has been forged, and the main technical executives responsible for managing the Group's channel platform. Should one of those people or any other key person suffer an accident or leave the Company, they could be difficult to replace, which could affect the Group's operating performance. In order to avoid such departures, the Company intends to implement a policy of developing employee share ownership after its IPO, with the aim of making an issue of free shares representing a maximum of 3% of the Company's share capital after its IPO.

Furthermore, the Group has experienced strong growth in its business in the past few years. Difficulties in managing its growth could arise in the commercial, technical, financial, employee-related or administrative areas. As regards human resources, for example, this growth requires the Group to regularly strengthen its managerial structures, successfully hire the qualified staff needed, train employees quickly in the Group's services and retain qualified staff. Rolling out risk management procedures and harnessing potential synergies within the Group are also important issues for its growth and development.

The Group's inability to manage its growth could have a material adverse impact on its business, financial position, growth and outlook.

3.3.5 Risks related to the company's relationships with rights owners

The Group's ability to provide its subscribers with high-quality content depends on it being able to obtain agreements with a large number of rights owners. The Group generally obtains licences to rights through direct bilateral agreements with the rights owners concerned in the various geographical markets, in particular content publishers, the distribution entities of large media groups, independent distributors but also directly with producers. The licence agreements signed by the Group are non-exclusive rights mainly for SVoD and, to a lesser extent, for AVoD. They are all based on a revenue sharing model between the Group and the rights owners and there are no minimum guaranteed payments. The licence agreements are for a term of one year, renewable automatically unless specifically terminated. Furthermore, the rights owners have the ability to remove content from the Group's library at any time and withdraw it from the channel platform. This also leads to withdrawal of the content from the talent or media group's channel. At 31 December 2019, the Group paid royalties of €3.4 million to rights owners.

It has to devote significant resources to negotiating, drawing up and monitoring its various licence agreements and maintaining good relations with the rights owners. During the year ended 31 December 2019, the rights library had increased by 30,000 hours to 35,000 hours. At the date of the Registration Document, the Group had a rights library of 60,000 hours from more than 300 rights owners. Should the Group fail to negotiate and maintain licence agreements with one or more rights owners on acceptable conditions for the Group, this could have a material adverse impact on its ability to provide high-quality content to its subscribers. In addition, failure to comply with the terms of the licence agreements, including for example calculating the exact royalties due to the rights owners, could lead to termination of the contract or to fines or other penalties in accordance with the terms of the contracts. Likewise, disagreements on the interpretation and application of the terms of the licence agreements, or the inability to agree on their terms, could lead the rights owners to take legal action against the Group. At the date of the Registration Document, there were no disputes between a rights owner and the Group. Furthermore, the rights owners that provide the Group with their content could end their relationship with the Group should they consider their revenue to be insufficient with regard to the content library made available to the Group.

The occurrence of one or more of these risks could have a material adverse impact on the Group's business, earnings, financial position, growth and outlook.

3.4 Risks related to the Group's technological environment

3.4.1 Risks related to technological change and the introduction of new services

There have been many technological innovations during the past few years and the rate of innovation remains sustained. The Group therefore has to continuously anticipate and react to these changes and adapt its expertise in order to identify and integrate technological innovations and new expectations of the distribution platforms or subscribers, in particular as regards multi-form interfacing with its many distribution platforms. Such innovations or changes in user experience involve, for example, the different connection methods (mobile network or Wi-Fi), the increasingly sophisticated technical features of smartphones, and the growing use of large screens or connected tablets. In this context, the Group has to continuously upgrade its know-how, its quality, performance and appropriateness of its services and content. However, the ability to react and adapt to technological developments and changing market standards, the integration of new technologies or new standards and upgrading the Group's channel platform could result in significant additional costs and investment. Expenditures can be extremely high given the diversity of platforms to be integrated into the technology. These platforms may be highly specific, become obsolete very quickly and therefore need frequent updates, which makes planning difficult. The Group's competitors could also adapt and react more quickly to this new technological environment.

Furthermore, a number of the services which the Group regards as sources of potential future growth are new and offered in markets that are not yet fully developed. Should the Group invest heavily in developing and providing new services to its telecoms operator customers and subscribers, it cannot guarantee that the market will develop as expected and that the new services will be taken up, quickly or not, by many customers and end users, or that they will be in line with changing industry standards or that the Group will be able to gain significant market share in those new markets. It could therefore find it hard to recoup the costs incurred in developing those new services. For example, although the SVoD market is currently booming (see Section 2.2.2 of the Registration Document), the Group cannot guarantee that these markets will grow as quickly as expected.

Should the Group be unable to anticipate or react to structural changes in the SVoD market, integrate technological changes quickly enough, pursue the development and commercialisation of attractive SVoD channels or adapt its SVoD services to the specifics of each local market, the Group's subscriber base could contract. Any delay in launching new SVoD channels could make the Group's services less attractive or even obsolete, which could have a material adverse impact on its business, financial position, growth, earnings and outlook.

3.4.2 Risks related to the security of the Group's platforms and cybercrime

In the course of its business, the Group collects, processes, stores and transmits sensitive data electronically. In addition, it collects and processes large volumes of consumers' personal data, including, depending on the services provided, names, bank card holder data, telephone numbers (or aliases that correspond to an anonymised number provided by the telecoms operator) and the consumer's payment and consumption record. Bank data are never collected, stored and retained by the Group systems, only by partners approved for that purpose (Stripe, PayPal). It is essential for the Group to preserve the confidentiality and integrity of subscriber data held on its servers or other information systems. Consequently, the Group has implemented and continues to implement business security, continuity and recovery systems.

However, the Group cannot guarantee complete protection against viruses, Trojan horses, worms, ransomware, exploitation of vulnerabilities and other systems penetration techniques or denial of service attacks. Data theft or malicious penetration of the information systems could harm systems integrity. This could comprise data confidentiality and integrity, and in particular the personal data stored by the Group, which in turn could cause significant reputational harm to the Group and a risk of fines, and could lead to civil or criminal liability. A major denial of service attack, or an attack beyond the Group's protection capacity or a virus could also disrupt systems operation and affect the quality of service provided by the Group by slowing down the servers or making the bandwidth unavailable. Due to the open nature of the Internet and the constantly changing nature of information security issues, the Group's SVoD channels are sometimes exposed to the risk of denial of service attacks. For example, this could happen if a talent or media group were to publish controversial comments on their dedicated channel. Even though the Group has protective mechanisms, a malicious attack on its servers or SVoD channels could disrupt service for several hours or even days, thus causing the Group to lose revenue and suffer commercial and reputational harm. At the date of this Registration Document, the Group had not suffered any significant cyberattacks.

The Group cannot rule out the possibility that its servers may involuntarily serve as a means to spread a virus, in particular when a new virus emerges that has not yet been identified by the anti-virus software providers, or that they may be used for spamming.

The Group therefore has to invest heavily or devote considerable resources to counter the escalation in these online information security risks.

The occurrence of cybercrime acts could have an adverse impact on the Group's business, earnings and outlook.

3.4.3 Technological risks

The Group stores its data, which principally comprise 450 terabytes of video content, in six data centres in Europe and mainly France (Equinix PA6 and PA7, Scaleway DC2 and DC3 in the Paris region, the Amazon AWS Data Center EU-WEST-3 in Paris, the Amazon AWS Data Center EU-WEST-1 in Dublin, Ireland, and the Microsoft Azur Data Center in western Europe, mainly London). Due to developments in digital video technology and the different types of video file that have to be stored by the Group for its various SVoD channels, a large and increasing storage capacity is required to run a multi-level service offering effectively. In addition, as and when the Group increases the size of its video library, its data storage and processing needs increase and there is no guarantee that the Group will be able to obtain sufficient storage capacity without a significant increase in data storage costs.

The Group is highly dependent on the efficient and uninterrupted operation of many systems, including information systems (software, servers, network equipment, storage bays, Cloud services and data centres). Generally speaking, the services provided by the Group require secure and reliable processing of large data volumes.

In this context, accessibility of the telecoms operators' networks, Internet performance and reliability, and telecoms infrastructures in the Group's countries of operation are crucial for the Group to run its business operations efficiently. The Group's business and reputation depend in large part on its ability to provide a satisfactory level of performance, reliability and availability of its channel platform, enabling content recovery, ingestion, coding and enrichment with metadata, storage and publication, as well as streaming, billing and automatic payment of revenue to all rights owners. The Group has duplicate systems and has implemented business continuity and recovery plans, but there is no guarantee that these dual backup mechanisms will prevent a total loss of data or disruption of service should a critical technical problem arise, and particularly a double or triple breakdown.

To conduct its business, therefore, the Group has to be capable of protecting its systems against disruption, breakdown or failure, including due to events outside its control (such as failures due to power cuts, information systems viruses, terrorist acts, war, flooding, natural disasters and fire) leading to data loss or corruption (particularly in managing the subscriber base), software malfunction (in particular payment systems) or hardware malfunction capable of causing a prolonged breakdown of all or a large part of a telecoms operator's network, the Internet or the Group's channel platform.

More specifically, service disruptions and delays affecting mobile networks and the Internet could reduce their level of use and therefore consumption of the Group's services.

In addition, the Group's employees, on whom it also relies, could be the cause of operational breakdowns or failure either due to human error or gross negligence, or to deliberate sabotage or fraudulent manipulations of its systems. Third parties, such as those in charge of consumer apps fronting, with which the Group works, particularly for Internet access, information systems hosting (proprietary or in the Cloud), aggregation systems or payment intermediaries (aggregators or direct carrier billing operators, payment intermediaries such as credit card and PayPal), mobile operator networks, some Cloud services (CRM, customer care), and some providers of application management, fixed price services or time & materials software development (SimpleStream) and recovery of satellite TV flows (Arkena, PixAgility, SimpleStream), could also be a source of operational risk, particularly in the event of breakdown or faults in their systems.

Any failure in the supply of a continuous efficient and secure service or any problem in performance, which could lead to service errors or disruptions, could have a material adverse impact on the Group's business and reputation and could jeopardise the Group's relationships with its customers or engage its liability.

3.5 Market risks

3.5.1 <u>Liquidity risk</u>

Liquidity risk is the risk that the Group will be unable to meet its cash needs through its available resources.

At 30 June 2020, the Group's cash position (cash and cash equivalents less short-term bank facilities) stood at €4,125 thousand.

The table below shows all non-discounted current and non-current financial liabilities (excluding interest) at 30 June 2020.

(In thousands of euros)	**At 30 June 2020**			
	Total	Due in less than one year	Due between one and five years	Due in more than five years
Bank borrowings	1,833	917*	917	-
Loan from the majority shareholder	3,000	-	3,000	
Leasing liabilities	4,425	577	2,300	1,549
	-	-	-	-
Total financial and leasing liabilities	**9,258**	**1,493**	**6,216**	**1,549**

** At 31 December 2019, all senior debt was reclassified in current liabilities due to a breach of covenant on the reporting date (see IFRS consolidated financial statements for the year ended 31 December 2019 for further information). The Group obtained a waiver for this breach from its banking* *pool on 24 January 2020. Consequently, the non-current portion of the senior debt has been reclassified in non-current financial liabilities for the six-month period ended 30 June 2020. The Group also obtained a waiver in order to maintain the loan repayment schedule for the 2021 and 2022 financial years (see Section 2.5.6.2.2.2 of the Registration Document).*

Furthermore, the sums recorded on the Shareholder Current Account (see Section 2.5.6.2.2.4 of the Registration Document) will be repaid in full to HLD Europe SCA by the Company (which will take the place of Aspin Management) on the fourth anniversary of the Pricing date, except in the event of early repayment, subject to compliance with the conditions regarding cash levels and the terms of the financing agreements, which will take place either (i) on each anniversary of the Pricing date in an amount of 10% of the principal amount recorded on the Shareholder Current Account, or (ii) at any time, in full or in part, at the decision of Aspin Management.

Furthermore, adjustments will be made to the Initial Loan Agreement (as defined in Section 2.5.6.2.2.2 of the Registration Document) to reflect the undertaking made by the Company (which will substitute for Aspin Management as borrower) to invest and keep an amount equal to the principal remaining due with respect to the loan on the last day of each calendar quarter in a cash collateral account held with the collateral agent on behalf the Lenders (as defined in Section 2.5.6.2.2.2 of the Registration Document) and any hedging bank, it being understood that the cash collateral account will represent a security interest.

At the date of the Registration Document, the Group reviewed its liquidity risk. The Company's planned initial public offering on Euronext Growth Paris has to be completed by the end of 2020 in order to finance the investment required to implement the Group's organic and external growth strategy as described in Section 2.2.3.12 of the Registration Document. If the new share issue does not take place, the Group considers that it will be unable to meet its repayment obligations in the 12 months following approval of this Registration Document, which shows a maximum financing requirement of about €8 million over that period, and that it would face a liquidity risk as of the end of January 2020.

Should market conditions not permit the funds to be raised from the IPO and taking into account:

- the Group's available cash at 30 June 2020, which amounted to €4,007 thousand;
- its revenue forecasts for the next few months;
- the current level of payroll and operating costs;
- the current level of marketing and selling costs;
- senior debt and advisory fees incurred in connection with the financing plan;

the Group would nonetheless be able to review the growth strategy described in the Registration Document by restricting its international business development, negotiating and adapting some of its commitments, reducing the SVoD channel launch rate, significantly reducing its advertising spend which would affect the volume of new subscriber acquisition, using the authorised undrawn factoring lines (see note 5.13 to the 2019/2020 interim consolidated financial statements) and/or adjusting its staffing levels. The Group considers that these actions would avoid it becoming exposed to a liquidity risk within the 12 months following the date of this Registration Document.

3.5.2 Credit or counterparty risk

Counterparty risk is the risk that a party to a contract entered into with the Group will breach its contractual obligations leading to financial loss for the Group. The main source of counterparty risk for the Group stems from trade receivables.

Trade receivables arise essentially from invoices issued to telecoms operators, as the Group provides SVoD channels through distribution platforms mainly managed by telecoms operators.

The table below shows the Group's trade receivables at 31 December 2018 and 2019.

(In thousands of euros)	**At 31 December 2019**	**At 31 December 2018**
Trade receivables	5,669	5,994
Invoices not yet issued	1,584	2,613
Impairment of trade receivables	(320)	(337)
Total	6,932	8,270

In the vast majority of cases, the main customers analysed in the review of the Group contributed 94% of the Group's consolidated revenue in 2019 and are directly or indirectly telecoms operators or marketplaces (Amazon, Google, Apple) which comply with their commitments, in particular payment terms and revenue collected on behalf of the Group. Most trade receivables are thus due from telecoms operators and the Group therefore considers that there is no material counterparty risk. Furthermore, the Group estimates that the net impact of doubtful debts is not material (see note 5.6 to Aspin Management's 2019 and 2018 consolidated financial statements.

At 31 December 2019 trade receivables broke down as follows by due date:

BREAKDOWN OF TRADE RECEIVABLES In thousands of euros	**0 days**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and above**	**Total**
Total trade receivables - gross	6,344	321	168	83	337	**7,253**
Impairment of trade receivables	- 80	- 4	- 2	- 1	- 234	**- 320**
Total trade receivables - net	**6,264**	**317**	**166**	**81**	**103**	**6,932**

The breakdown of trade receivables by due date at 30 June 2020 is presented in note 5.6 to Aspin Management's condensed consolidated financial statements for the six-month period ended 30 June 2020.

3.5.3 Interest rate risk

At 31 December 2019, the Group's exposure to interest rate risk arose from unhedged bank borrowings at variable interest rates (€2,750 thousand).

The Group considers that a change of +/- 1% in interest rates would have an impact of +/- €18,000 on financial expense or income in the year.

3.5.4 Exchange rate risk

The Group operates in international markets and is therefore subject to exchange rate risk on its exposures to currencies other than the euro, which is the Company's functional currency and the presentation currency for Aspin Management's consolidated financial statements.

The consolidated financial statements are prepared on the basis of the subsidiaries' financial statements in local currency and translated into euros at Group level in accordance with the accounting policies applied by Aspin Management (see note 2 to Aspin Management's 2019 and 2018 consolidated financial statements and note 2 to its condensed interim financial statements for the period ended 30 June 2020). Alchimie UK's financial statements are translated into euros at the closing rate for balance sheet items and the transaction rate for expense and income items, or the average rate for the period if it is close to the transaction rate (see note 3 to Aspin Management's 2019 and 2018 consolidated financial statements).

The Group does not have any currency hedges.

In 2019, 10% of revenue was billed in pounds sterling with the balance in euros (i.e. 90%).

The table below shows the main revenue inflows in currencies other than the euro.

	United Kingdom Pounds sterling
% of revenue in currencies other than the euro	10%

The Group estimates that an instantaneous change of +/- 1% in the exchange rate would have an impact of about +/- €1,500 on the Group's consolidated equity and earnings.

Although the Group monitors and evaluates exchange rate trends regularly, it cannot rule out the possibility that an unfavourable change in the above rates will have an adverse impact on its consolidated financial position and earnings.

3.6 Legal risks

3.6.1 Risks related to the regulations applicable to the Internet and mobile networks

The Group's operations in France and abroad are subject to continuously evolving complex and varied regulations, particularly as regards direct carrier billing. The Group is in regular direct contact with the local regulatory bodies in this area, such as the French Mobile Media Association (AFMM). At the date of the Registration Document, no proceedings had been taken against the Group with regard to compliance with all of its legal and regulatory obligations (see section 6.2 of the Registration Document).

Generally speaking, the Group is subject to the risk of changes in legislation, fiscal policy or regulations in its various countries of operation. More particularly, there are many proposals to create a legal framework to regulate the sustained development of digital payment methods. Such changes could have an adverse impact on the Group's business, outlook, financial position, earnings and growth.

Legislative and regulatory changes also lead the Group to incur significant compliance costs and could require an adjustment to its services and a change of commercial policy. These adjustments could take time to implement and require considerable effort by management and could lead to complaints or other action against the Group, which could have an unforeseeable adverse impact on its revenue, earnings and competitive position.

Nor can the Group rule out an action for criminal, civil or administrative liability, particularly based on national consumer protection laws. Should the Group be held liable under or be unable to comply with these foreign laws, this would lead to defence costs or even penalties in the case of an adverse outcome and could force the Group to review its commercial policy depending on local constraints. The Group would have to mobilise substantial resources or discontinue some services, which would harm its business, financial position and earnings.

Some of the Group's agreements are subject to the laws of a foreign country. Most of them are subject to European law, which is harmonised in the areas affecting the Group such as intellectual property law, consumer law or competition law. The Group has offices in London, Düsseldorf and Madrid, which means that local counsels can be appointed directly at lower cost in the event of a dispute. The Group cannot guarantee that some clauses of these agreements will not be challenged or give rise to legal actions on the basis of the relevant national law, or that the provisions of that law will not serve as a basis for an action restricting the Group from conducting its business in the relevant country, which would have an adverse impact on its revenue, earnings, financial position and outlook.

3.6.2 Risks related to the Group's intellectual property rights

3.6.2.1 Risks related to the protection of the Group's intellectual property

The Group's success is largely dependent on its ability to protect its brands, domain names, software, databases and copyright ("IP Rights"). The Group registers its IP Rights in France and the foreign countries where it operates. In particular, it endeavours to maintain, protect and strengthen its logos and its "Watch it !" and "TVPlayer" brands, as well as its domain names (about 130 at the date of the Registration Document) such as "tvplayer.com" and "cultivonsnous.tv".

Internally generated content (i.e. created by employees of the Company) belongs to the Group through rights assignment clauses in employment contracts with its employees. Content regarded by the Group as not material (i.e. created especially for a channel, such as a logo, interview or conference) belongs to the talent or media group that created it. Content belonging to talents or media groups are covered by partnership agreements (licences to exploit copyright and related rights for the relevant service). Most of those agreements are valid for three years. But if the Group invests in a piece of content (i.e. content produced by the Group) as part of its future development, it enters into a co-production agreement with the talent or media group and the rights can thus be shared between them. The Group then has an exclusive right to exploit that content in its SVoD business. Content co-produced with a talent or media group thus implies co-ownership of all rights over that content for the duration of the intellectual property rights (i.e. about 70 years). However, when the production agreements are terminated or expire, the Group is no longer authorised to exploit the content for the channels it has developed, unless a licence extension is granted for other channels.

The exploitation rights for territories in which the Group operates include the right to reproduce, the right to communicate to the public, the right to adapt and the right to perform. They cover both copyright (scriptwriter, songwriter for example) and related rights (producers and performers for example). Although the Group has exploitation rights for the territories in which it operates, it is possible that its IP Rights will not provide sufficient protection for its current business. As part of its international expansion plans, it may be advisable for the Group to protect its IP Rights in a growing number of countries, although that is not always possible or sufficiently relevant in the new countries concerned.

Despite the measures taken by the Group (trademark registration, domain name reservations and warranty clauses in content rights acquisition agreements), it is always possible that the Group's IP Rights will be successfully challenged or invalidated following administrative or legal proceedings. Third parties could take action against the Group, which could result in the annulment of all or part of the Group's IP Rights or reduce their scope. At the date of the Registration Document, there were no administrative or legal proceedings in progress seeking to challenge the Group's IP rights.

The Group's failure to maintain, preserve and strengthen its IP Rights could have a material adverse impact on the Group's growth, financial position, earnings and outlook.

3.6.2.2 Risks related to breach of licence agreements by the Group

The Group is party to a large number of licence, partnership and distribution agreements, which are complex and impose many obligations on the Group, particularly in terms of: (i) calculating royalties based on complex royalty structures; (ii) reporting periodically on content use in specific formats; (iii) complying with certain restrictions in terms of content format used, marketing and advertising, and (iv) undertaking to pay the remuneration due to performers and phonogram producers where included in the works licensed.

Should the Group breach one of those obligations or any other obligation in the agreements it has signed, or should it use the content in a way that exceeds the authorisation granted, it could be subject to fines following legal action, and its rights under the agreements could be terminated, which could have a material adverse impact on its business, operating results and financial position.

3.6.2.3 Risks related to infringement of the intellectual property rights of another person

Despite the fact that the Group performs the requisite searches and other procedures, prior rights may nonetheless be held by third parties (such as trademarks, domain names, company names, trade names, etc.), which are phonetically, visually or intellectually identical or similar to those of the Group. The holder could therefore take action against the Group for infringement, unfair competition or parasitic business practices.

In addition, when developing certain information systems and solutions, the Group uses various "open" systems and software, which are made available to the public by their authors under licence, giving the user access to the source code and the right to use, copy, modify and incorporate it in programs it creates, and to redistribute it. Such open software is made available to the public with no warranties and at the risk and peril of the user. The Group cannot therefore guarantee the origin of any open software it uses or that such software does not infringe the intellectual property rights of third parties.

Intellectual property actions can be long and costly. The outcome is difficult to predict and may force the Group to discontinue certain functionalities of its solutions, to purchase licences, modify its products and functionalities or change the name under which its solutions are sold (which could lead to loss of brand recognition and an increase in resources for advertising and marketing the new brand) pending the development of authorised replacement products, functionalities or signs, or to pay large sums in settlement.

Allegations against the Group of an infringement of intellectual property rights could:

- expose it to payment of damages that could potentially be substantial;
- prevent it from developing, selling or continuing to provide some or all of its solutions without obtaining a licence from and paying royalties to the holders of the relevant intellectual property rights, and such licences could be unavailable or only available on commercially unfavourable terms;
- expose it to obligations to compensate or reimburse its current or future customers and damage its relationships with them;
- cause delays in or discontinuation of the supply of its solutions;

- discourage its customers and potential customers from working with it;
- distract the attention and resources of management and technical staff;
- harm its reputation; and/or
- force it to make potentially extremely costly changes to its technology or trademarks, which it may not be able to implement, at least effectively.

Even if such problems are resolved without legal action or in favour of the Group or without a settlement involving large sums, the time and resources required to take legal action or resolve the problems could lead to additional costs and have an adverse impact on the Group's growth, financial position, earnings and outlook.

3.6.3 Risks related to personal data protection regulations

The Group processes personal data in the course of its business. When Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "GDPR") came into effect, the Group adopted a plan to bring its processes into line with the applicable data protection regulations (the "Personal Data Regulations"), which is currently being rolled out within the Group's various entities affected by the regulations and is evolving continuously in line with the spirit of the regulations.

The Group cannot guarantee that such data will not be lost or leaked due to fraud or penetration of its systems or those of its service providers, or abused by unauthorised third parties, including its staff members. Such loss, leak, penetration, fraud or abuse of personal data processed by the Group could have an adverse impact on its image and reputation.

The Group could find itself in a relationship with a service provider that does not comply with all the obligations imposed by the Personal Data Regulations. Similarly, a subscriber could attempt to hold the Group liable for breach of personal data pursuant to its processing by the Group or on its behalf.

Should it be considered that the Group or its service providers do not comply with the obligations imposed by the Personal Data Regulations, the Group could be held liable, which could have an adverse impact on its business, earnings, financial position, reputation and outlook. However, the Group, through the GDPR clauses and guarantees included in the agreements negotiated with its service providers, could in turn hold the service providers liable, particularly in the event of their fault or negligence.

In addition, depending on their nature, breaches of the Personal Data Regulations, and in particular the GDPR, could result in fines of up to the higher of €20 million or 4% of annual global revenue, as well as civil and/or criminal sanctions.

Should the Group fail to keep abreast of and comply with all of these laws, regulations and standards on personal data, data use or data security, some licences or regulatory authorisations could be suspended or revoked, some services could have to be restricted, suspended or cancelled, administrative, civil or criminal sanctions could be imposed, some existing or potential customers could hesitate to use the Group, and its reputation and brand image could be harmed on a global level, which could have an adverse impact on its business, operating results, financial position, reputation and outlook.

Furthermore, should more restrictive laws, rules or industry standards on personal data security be adopted in the future by the legislators in the Group's countries of operation or industry bodies, those changes could have an adverse impact on the Group and lead to an increase in costs or the introduction of restrictions on its commercial processes. The Group could be forced to incur high expenditure or use other resources to comply with the standards applicable as regards respect for privacy and the security required by international standards and law and by industry standards, or to adapt its agreements accordingly. The financial risks involved in the above issues may not be covered or may be only partially covered by an insurance policy taken out by the Group.

3.6.4 Risks related to ongoing litigation or investigations

The Group may be involved in disputes and litigation. Litigation in progress is evaluated and provisions set aside in the financial statements, which are disclosed in note 5.11 "Provisions" to Aspin Management's 2019 and 2018 consolidated financial statements and in note 5.11 "Provisions" to Aspin Management's condensed interim financial statements for the period ended 30 June 2020.

At the date of the Registration document, the Group was not involved in and had not in the previous twelve months been involved in any governmental, legal or arbitration proceedings which could have significant effects on its financial position or profitability. Nor is the Company aware of the threat of any such proceedings.

4. CORPORATE GOVERNANCE

4.1 Administrative, management, and supervisory bodies and senior management

4.1.1 Board of Directors

At the date of this Registration Document, the Company is a *société par actions simplifiée* governed by French law. A general meeting of the shareholders will be held prior to the AMF's approval of the Prospectus to approve the Company's conversion into a *société anonyme* with a Board of Directors with effect from the date of the general meeting.

In addition, a general meeting of the shareholders will be held prior to the AMF's approval of the Prospectus to adopt the Company's new Articles of Association subject to the final Pricing of its shares for the IPO on Euronext Growth Paris.

The table below shows the proposed composition of the Board of Directors at the date of the AMF's approval of the Prospectus, along with the directorships and other offices held by members of the Company's board in the last five years.

Name and first name	**Office/function in the Company**	**Expiry of term**	**Main directorships and offices held outside the Company and the Group in the last five years**	**Main directorships and offices held in the Group in the last five years**	**Directorships and offices held within the Group by the directors' family holding companies**
Nicolas d'Hueppe[(1)]	Chairman of the Board of Directors and CEO of the Company	*Expires at the conclusion of the annual general meeting held to vote on the financial statements for the year ending 31 December 2022*	CroissancePlus – Vice-Chairman	None	Iseran Management – Legal Manager
Cédric Ponsot[(1)]	Independent director	*Expires at the conclusion of the annual general meeting held to vote on the financial statements for the year ending 31 December 2022*	Watchever Group – Chairman and director English Attack! – Independent director Des Cocottes et du Gratin – Co-founder and director HCP Consulting – Legal Manager	Aspin Management – Director	None
Gabriel Fossorier[(2)]	Director	*Expires at the conclusion of the annual general meeting held to vote on the financial statements for the year ending 31 December 2022*	52 Entertainment – Member of the Board HLD – Member of the Board HLDAE – Director Perfectis Private Equity – CEO Sollya – Chairman Tranoi – Chairman of the Supervisory Board	Aspin Management – Chairman of the Supervisory Board	None
Xavier Buck[(2)]	Director	*Expires at the conclusion of the annual general meeting held to vote on the financial statements for the year ending 31 December 2022*	Datacenter Luxembourg SA – Director CDCL SA – Director Domain Invest (DI SA) – Director EuroDNS SA – Director HLD – Director High Capital – Director One Rag Time – Director	None.	None.

Name and first name	Office/function in the Company	Expiry of term	Main directorships and offices held outside the Company and the Group in the last five years	Main directorships and offices held in the Group in the last five years	Directorships and offices held within the Group by the directors' family holding companies
Jean-Philippe Hecketsweiler(3)	Director	*Expires at the conclusion of the annual general meeting held to vote on the financial statements for the year ending 31 December 2022*	FH4 S.A.S – Chairman Filorga Initiatives – Director Fonds de dotation pour la création de la Fondation Descartes – Chairman Gekko Holding SAS – Director GSX Participations S.A. – Director HLD Associés SAS – CEO HLD Associés Europe SA – CEO HO Industries S.A.S – Chairman MCube – Chairman Sarenza – Director	Aspin Management SA – Director	None.
Florence Lagrange	Independent director	*Expires at the conclusion of the annual general meeting held to vote on the financial statements for the year ending 31 December 2022*	Antigone Advisory – Chair Bigben Interactive – Director Nacon – Director Trusteam Lab – Chair	None.	None.
Elisabeth Maugars(2)	Independent director	*Expires at the conclusion of the annual general meeting held to vote on the financial statements for the year ending 31 December 2022*	StoneArb Investments Limited – Non-Executive Director	None.	None.

(1) Directors proposed by Iseran Management.
(2) Directors proposed by HLD Europe.
(3) Director proposed jointly by HLD Europe and Iseran Management.

The Board members have their business address at the Company's registered office.

All of the directors will be appointed at a general meeting of the shareholders to be held prior to the AMF's approval of the Prospectus.

Personal information about the members of the Board

Nicolas d'Hueppe, see Section 2.2.3.11 of the Registration Document.

Cédric Ponsot holds a degree in agronomics and a Master's degree in international economics from Essec. He began his career with Danone in the marketing and sales functions and he was head of innovation when Danone developed its distributor and entry-level brands in Europe. At the end of 1997, he left Danone to become Chief Marketing Officer of SFR-Vivendi Group. He was one of the architects of the exponential growth in this industry in France and Europe through the Vodafone alliance (from 1 to more than 10 million SFR subscribers in three years). In 2000, he contributed to Vivendi Universal's expansion in new technologies and was appointed Vice-Chairman of Vivendi Universal Net in charge of marketing and sales for all the group's Internet subsidiaries in Europe and the United States. At that time, he also managed one of the Vivendi and Universal merger teams. In 2002, he founded Universal Music Mobile and became its Chairman. For four years, he successfully developed this start-up in more than 50 countries, enabling Universal Music to become a genuine digital enterprise before its competitors thanks to a strong partnership with Apple and all the global telecoms operators, notably in China and Japan. At the end of 2006, Cédric Ponsot created Vivendi Mobile Entertainment under the aegis of the supervisory board, a new Vivendi division aiming to develop one of the first social media websites for multimedia content exchange on PC and mobile in France and Germany. He was then Chairman of the Company. In 2012, he changed the direction of the company to become a major European player in OTT in parallel to Netflix in the United States. In January 2013, the company was renamed Watchever Group and successfully launched a SVoD service (subscription to unlimited streaming of movies, documentaries and series) under the Watchever brand in Germany. It became the leader in the German market before Vivendi decided to refocus on Canal+ in France in 2015. Cédric Ponsot is now an independent director of several companies. In 2016, he co-founded the start-up "*Des Cocottes et du Gratin*", which was successfully sold after three years. He also volunteers substantial time as a mentor in several associations aiming to develop and promote entrepreneurship among young people in difficulties, and more particularly young women.

Gabriel Fossorier has been a partner of HLD since 2018. He has more than 30 years' experience in investment and is a specialist in private equity. After joining 3i in 1989, he co-founded Perfectis Private Equity in 2000 and is its CEO. Gabriel is a graduate of the Institut Supérieur de Commerce de Paris, the Advanced Management Program at INSEAD and the Cercle des Hautes Etudes Européennes conferred by the ENA. He has held seats of the boards of various companies since the beginning of the 1990s as part of his investment work for 3i, Perfectis PE and then HLD since 2018. He has been involved in the IPOs of companies such as Mr Bricolage and HF Company. He has completed more than 40 investment deals during his career and at least as many acquisitions and mergers. Today, he sits on the boards of Alchimie, 52 Entertainment and HLDAE.

Xavier Buck has been an Internet entrepreneur since 1996. In 2000, he founded Datacenter.eu, a cloud hosting and services company. Then in 2002 he founded EuroDNS.com, a domain name registration office, which subsequently became an international group under the name NameSpace.com. Through external growth and company creations, the group now includes companies such as eBrand.com, DomainTools, DotRoll, Entorno and DomainCentral.com. Xavier has recently joined the board of directors of investment funds such as the HLD group, One RagTime and High Capital. He was born in Luxembourg and speaks fluent English, German and French. He has become a key player in the ICT sector in Luxembourg.

Jean-Philippe Hecketsweiler is a graduate of HEC. He began his career in 1994 in the mergers and acquisitions department of J.P. Morgan in Paris, before founding the company ProXchange Limited in 2000. From 2004 to 2010, he took over several companies including Nature SAS (food supplements) and GSX Groupware Solutions (cloud systems supervision software). In 2010, he founded the HLD group alongside Philippe Donnet and Jean-Bernard Lafonta. He is currently chairman of investment company HO Industries SAS and the *Fonds de dotation pour la création de la Fondation Descartes*.

Florence Lagrange holds a post-graduate diploma in Economics. She began her career as a financial journalist, before joining asset management company Fontenay Gestion as a buy-side analyst. After 12 years as an asset manager at independent asset management company Trusteam Finance, which applies extra-financial analysis based on customer satisfaction when assessing companies, she was then head of research for two years. In 2020, she founded Antigone Advisory, a customer experience and employee experience consulting firm.

Elisabeth Maugars is a graduate of Ecole des Hautes Etudes Commerciales (HEC). She began her career in 1985 as an auditor with Compagnie Internationale des Wagons-Lits in Paris. After eight years with LVMH Moët Hennessy Louis Vuitton as head of Treasury and Financing, she held various investment banking positions, mainly in London with Commerz Financial Products, Morgan Stanley, Société Générale and then Crédit Suisse where she built and headed up several markets business lines with an international clientele of institutional and private clients. Since 2015, she has headed up the investment banking business for private clients at Deutsche Bank.

4.1.2 Statements about members of the management and administrative bodies

To the Company's knowledge, at the date of the Registration Document, there were no family ties between members of the Board of Directors or between members of the Board of Directors and the Chief Executive Officer.

To the Company's knowledge, in the past five years, none of those persons have been:

- found guilty of fraud;
- involved in insolvency, receivership, liquidation or court-ordered administration proceedings in their capacity as executive officer or director or supervisory board member;
- prevented by a court from being a member of an administrative, management or supervisory body of an issuer or from being involved in the management or business operations of an issuer;
- charged with an offence or been the subject of public sanctions handed down by any statutory or regulatory authority (including designated trade representative bodies).

4.1.3 Committees

Prior to the AMF's approval of the Prospectus, the Company's Board of Directors will create two specialised committees: an audit committee and an appointments and remuneration committee.

The committees' internal rules, the key provisions are which are presented below, will also be adopted prior to the AMF's approval of the Prospectus.

4.1.3.1 Audit Committee

The key terms of the Audit Committee's internal rules are described below.

Composition

The Audit Committee has at least three members appointed by the Board of Directors after consulting the Appointments and Remuneration Committee. The Committee's composition may be modified by the Board of Directors and will, in any case, be modified if there is a change in the general composition of the Board of Directors.

The Committee members are selected from among the members of the Board of Directors and at least two of its members must be independent directors based on the criteria defined in the Middlenext corporate governance code as published in September 2016, which is the Company's reference code.

When selecting Committee members, the Board of Directors reviews their independence and makes sure that at least one independent member has specific skills in finance and accounting.

The Chair of the Audit Committee is appointed by the Board of Directors for the duration of his or her term as Committee member, preferably from among the independent directors.

For the avoidance of doubt, no director exercising executive functions within the Company or Group companies may be a member of the Audit Committee.

Committee members may not receive remuneration from the Company or its subsidiaries other than in respect of their directorship or Committee membership and the reimbursement of any business expenses. Any other remuneration must be the exception and approved beforehand by the Board of Directors.

The term of office of Committee members coincides with their term of office as director. They are eligible for re-appointment without limitation. Committee members may be removed from office at any time by the Board of Directors, without the need to give a reason for its decision.

Should a Committee member die or resign for whatever reason while in office, the Board of Directors may replace that member for the remainder of the new member's term of office as Director.

With effect from settlement and delivery of the Company's shares pursuant to its IPO on Euronext Growth Paris, the Audit Committee members will be Elisabeth Maugars as Chair, Florence Lagrange and Xavier Buck.

<u>Role</u>

The Audit Committee's role is to:

- oversee the financial reporting process, including reviewing the statutory and consolidated annual and interim financial statements and quarterly financial presentations prior to their presentation to the Board of Directors, as well as the appropriateness and consistency of the accounting methods used to prepare those financial statements or presentations. The Audit Committee examines major transactions during which a conflict of interest may have arisen and all conflict of interest situations that may affect a member of the Board, and proposes remedial measures; generally speaking, the Audit Committee is responsible for the quality of the financial information reported to the shareholders;

- oversee the effectiveness of internal control, internal audit and risk management systems, and monitor financial and accounting information. In this respect, the Audit Committee must be informed by the Board, the Chief Executive Officer, the Deputy Chief Executive Officers and statutory auditors of:

    (i) any event exposing the Group to a material risk;

    (ii) the Group's key environmental, employee-related and social risks;

    (iii) any failure or significant weakness in internal control and any major fraud;

- oversee the statutory auditors' work on the statutory and, as applicable, consolidated financial statements;

- make a recommendation regarding the statutory auditors put forward for appointment at the annual general meeting of shareholders and review their fees;

- review the independence of the statutory auditors;

- examine the terms of use of derivative instruments;

- periodically review the status of major lawsuits; and

- more generally, provide advice and make appropriate recommendations in the above areas.

The Audit Committee reports regularly on its work and informs the Board of Directors promptly of any difficulties encountered.

Practices and procedures

The Audit Committee meets at least twice a year at the times set by the Committee Chair to review the statutory and consolidated annual, interim and, as applicable, quarterly financial statements, based on an agenda set by the Chair and sent to Committee members at least five calendar days before the date of the meeting. It also meets at the request of its Chair, two of its members, or the Chairman of the Company's Board of Directors.

Notice of meeting may be sent by any written means, including e-mail, at least five calendar days in advance, except in emergencies or duly justified special circumstances.

The Committee Chair draws up the agenda for each meeting and chairs the meeting.

In his or her absence, the Audit Committee appoints a chair of the meeting. In the event of a tied vote, the oldest candidate is appointed chair of the meeting.

A quorum of at least half of the members, or all of the members if the Committee has only two members, is required for the Committee to transact business.

Committee members may not be represented.

The Audit Committee may interview any director or executive officer of the Company and conduct any internal or external audit on any matter it regards as coming under its authority. The Committee Chair informs the Board of Directors of its intention beforehand. More specifically, the Audit Committee has the right to interview any person involved in preparing or auditing the financial statements.

The Audit Committee holds discussions with the statutory auditors. A representative of the Company does not have to be present during those discussions.

If they deem it necessary to fulfil their duties, the Audit Committee members may ask for sight of any accounting, legal and financial document.

The Committee may hold meetings via video conference, telephone conference or in writing, including fax, provided that all of its members agree.

Reports

The Audit Committee's proposals are presented to the Board in the form of a written report addressed to the Chairman of the Board. The report is tabled on the agenda for each Board meeting held after an Audit Committee meeting.

The Chair of the Audit Committee is responsible for ensuring that the Committee's report on its work provides the Board with comprehensive information to facilitate the Board's decision-making.

The corporate governance report contains a description of the Audit Committee's work during the financial year just ended.

If, in the course of its work, the Audit Committee identifies a material risk that it believes has not been properly addressed, the Committee Chair promptly alerts the Chairman of the Board of Directors.

4.1.3.2 Appointments and Remuneration Committee

The key terms of the Appointments and Remuneration Committee's internal rules are described below.

Composition

The Appointments and Remuneration Committee has at least three members appointed by the Board of Directors. The Committee's composition may be modified by the Board of Directors and will, in any case, be modified if there is a change in the general composition of the Board of Directors.

The Committee members are selected from among the members of the Board of Directors and at least two of its members must be independent directors based on the criteria defined in the Middlenext corporate governance code as published in September 2016, which is the Company's reference code.

For the avoidance of doubt, no director exercising executive functions within the Company may be a member of the Appointments and Remuneration Committee.

Committee members may not receive remuneration from the Company or its subsidiaries other than in respect of their directorship or Committee membership and the reimbursement of any business expenses.

The term of office of members of the Appointments and Remuneration Committee may not exceed their term of office as director. Committee members are eligible for re-appointment without limitation. They may be removed from office at any time by the Board of Directors, without the need to give a reason for its decision.

With effect from settlement and delivery of the Company's shares pursuant to its IPO on Euronext Growth Paris, the Appointments and Remuneration Committee members will be Gabriel Fossorier as Chair, Cédric Ponsot and Florence Lagrange.

Role

The role of the Appointments and Remuneration Committee is to:

- As regards appointments:
  - make reasoned recommendations to the Board of Directors on the composition of the Board of Directors and its committees, guided by the interests of the shareholders and the Company. The Committee ensures that the Board reflects a broad spectrum of experience and viewpoints and that the Company's governing bodies have a high level of expertise, internal and external credibility and stability;
  - propose annually to the Board of Directors a list of its members that may be considered as independent based on the criteria defined in the Middlenext corporate governance code as published in September 2016;
  - prepare a succession plan for the Company's senior executives and assist the Board of Directors in selecting and assessing the senior executives of the Company and its subsidiaries;
  - prepare a list of candidates recommended for appointment to the Board of Directors, based on the following criteria: (i) the desired balance in the composition of the Board based on the composition and changes in the Company's shareholder structure, (ii) the desired number of independent members, (iii) the proportion of men and women required by the applicable regulations, (iv) the merits of re-appointing directors, and (v) the integrity, expertise, experience and independence of each candidate; and
  - prepare a list of Board members recommended for appointment to one of the Board committees.
- As regards remuneration:
  - review the main objectives proposed by management as regards the remuneration of the Group's senior executives, including free share awards and stock option plans;
  - review the remuneration of the Group's senior executives, including free share awards and stock option plans, occupational pension and welfare plans and benefits in kind;
  - review the main objectives of any free share awards or stock option plans proposed for the benefit of the Company's employees;
  - make recommendations and proposals to the Board of Directors on:
    - remuneration of corporate officers, including for a specific assignment, occupational pension and welfare plans, benefits in kind, and other pecuniary rights including severance pay. The Committee proposes the amounts and structure of the remuneration, and in particular rules for setting the variable component taking into consideration the Company's strategy, objectives and results, as well as market practices;
    - free share awards, stock option plans and any other similar incentive scheme, in particular allotments of registered shares to the senior executives;
  - review the total amount of remuneration paid to the directors and its allotment between them, taking account into account their attendance at Board meetings, the time devoted

to their functions, including where applicable as members of a Board committee, and the terms of reimbursement of any business expenses incurred by them;

- prepare and present any reports required under the Board of Directors' internal rules;

- prepare any other recommendation on remuneration which might be requested by the Board of Directors or general management.

More generally, the Committee provides advice and makes appropriate recommendations in the above areas.

Practices and procedures

The Appointments and Remuneration Committee meets at least once a year on the date set by the Committee Chair to address an agenda set by the Chair, which is sent to Committee members at least five calendar days before the date of the meeting. It also meets whenever it deems necessary at the request of its Chair, two of its members, or the Chairman of the Board of Directors.

Notice of meeting may be sent by any written means, including e-mail, at least five calendar days in advance, except in emergencies or duly justified special circumstances.

The Committee Chair draws up the agenda for each meeting and chairs the meeting. Committee members may ask the Chair to table items on the agenda.

Non-executive directors who are not members of the Committee may attend meetings if they wish.

The Committee appoints its Chair from among its members, as well as its secretary. In his or her absence, the Committee appoints a chair of the meeting. In the event of a tied vote, the oldest candidate is appointed chair of the meeting.

A quorum of at least half of the members, or all of the members if the Committee has only two members, is required for the Committee to transact business.

Committee members may not be represented.

The Chairman of the Board of Directors, if not a Committee member, may be invited to attend Committee meetings. The Committee invites the Chairman to present proposals. He or she attends in a consultative capacity only and does not take part in any discussion about his or her own position.

The Committee may ask the Chairman of the Board for assistance from any senior executive of the Company whose skills might help the Committee to address a particular agenda item. The Committee Chair or the meeting chair reminds all participants in the discussions of their duty of confidentiality.

The Committee may hold meetings via video conference, telephone conference or in writing, including fax, provided that all of its members agree.

The Committee presents its proposals to the Board of Directors.

Reports

The Committee Chair submits a written report on its work to the Chairman of the Board after each Committee meeting and a presentation of the report is tabled on the agenda for the Board meeting held immediately after each Committee meeting.

The Committee Chair is responsible for ensuring that the Committee's report on its work provides the Board with comprehensive information to facilitate the Board's decision-making.

The corporate governance report contains a description of the Appointments and Remuneration Committee's work during the financial year just ended.

The Committee reviews the Company's draft report on executive compensation.

4.1.4 Corporate governance

The Company has embarked on a review of its corporate governance practices for information and transparency purposes, particularly in view of its forthcoming IPO on Euronext Growth Paris.

After the IPO, the Company will adopt as its reference code the Middlenext corporate governance code for listed companies as published in September 2016 (to the extent that its principles are compatible with the Company's organisation, size, resources and shareholder structure).

The Company aims to comply with all of the recommendations made in the Middlenext code.

The table below sets out the Company's position with respect to all recommendations made in the Middlenext Code as of the date of the Registration Document.

Middlenext Code recommendations	Adopted	Will be adopted
Supervisory body		
R1: Conduct of Board members	X	
R2: Conflicts of interest	X	
R3: Composition of the Board – Presence of independent members		X(1)
R4: Reporting to Board members	X	

Middlenext Code recommendations	Adopted	Will be adopted
R5: Organisation of Board and Committee meetings	X	
R6: Board committees		X(1)
R7: Internal rules for the Board		X(2)
R8: Selection of each director	X	
R9: Term of office of Board members	X	
R10: Directors' remuneration	X	
R11: Assessment of the Board’s work		X(2)
R12: Relations with shareholders	X	
Executive body		
R13: Definition and transparency of remuneration paid to executive corporate officers	X	
R14: Succession planning for senior executives		X(3)
R15: Combination of an employment contract and executive office	X	
R16: Severance pay	X	
R17: Supplementary pension plans	X(4)	
R18: Stock options and free share awards	X	
R19: Review of areas for attention	X	

(1) A general meeting of the shareholders will be held prior to the AMF's approval of the Prospectus to appoint the new directors (and approve the Board's subsequent creation of the committees described in Section 4.1.3 of the Registration Document).

(2) The internal rules of the Board of Directors will be adopted prior to the AMF's approval of the Prospectus.

(3) The internal rules of the Appointments and Remuneration Committee will be adopted prior to the AMF's approval of the Prospectus and will give the committee responsibility for executive succession planning (see Section 4.1.3 of the Registration Document).

(4) None of the executive corporate officers benefit from a supplementary pension plan.

4.2 Remuneration and benefits

4.2.1 Remuneration of corporate officers

The information in this section has been drawn up in accordance with the Middlenext corporate governance code as published in December 2009 and updated in September 2016, which has been approved as a reference code by the AMF.

Information on the remuneration of corporate officers has been prepared in accordance with the AMF's Position-Recommendation DOC-2014-14 entitled "Guide to compiling registration documents for mid caps".

Table 1: Summary of fixed and variable remuneration, options and shares awarded to each of the Company's executive corporate officers with respect to offices held in Group companies

In introduction, Aspin Management has been Chair of the Company since 28 November 2015. The Chair of Aspin Management is Iseran Management, a holding company wholly owned by Nicolas d'Hueppe, its Legal Manager.

	2018	2019
Aspin Management (amounts excl. tax)		
Remuneration due for the financial year	€525,432	€559,992
Value of long-term variable remuneration awarded during the financial year	None	None
Value of options awarded during the year	None.	None.
Value of free shares awarded during the year	None.	None
Total	**€525,432**	**€559,992**

As of the Company's conversion to a *société anonyme*, Aspin Management will no longer be Chair. Nicolas d'Hueppe will be appointed Chairman of the Board of Directors and Chief Executive Officer of the Company as of that date. He will receive a gross fixed salary of €100,000 a year and director's fees of €15,000 a year. He will also have a company car.

As of that date, a services agreement will be entered between Iseran Management SARL and the Company. It will be valid for an indefinite term but may be terminated at any time by giving three months' notice.[19] These technical services, which complement the role of Chairman of the Board and Chief Executive Officer of the Company played by Nicolas d'Hueppe, founder of Alchimie, will bring the Company and its subsidiaries the specific expertise they need for their business activity, as well as day-to-day support for the local managers on a commercial and

[19] This agreement will be a regulated related-party agreement and will be subject to the appropriate approval process.

operational level, both in France and abroad. Under the terms of the agreement, Iseran Management SARL will provide the company and its subsidiaries with the following services:

- financial assistance: advice on determining the financial management policy and establishing a financial reporting process, advice on relationships with banking and financial partners;

- strategic assistance: advice on defining the Group's strategy, assistance in determining the profiles of the Group's future key people for recruitment purposes, assistance in analysing and negotiating acquisition opportunities, advice on the social and environmental responsibility policy and well-being in the workplace;

- commercial assistance: advice on determining the business development and marketing strategies, advice on relationships with commercial partners.

With regard to the Group's international development, this support will cover the following aspects: recruiting and training local executives, introducing the platform concept in the relevant territory, seeking local partners (rights owners, distributors, talents), and monitoring and managing external growth operations (identifying targets, negotiating their acquisition, raising finance, coaching local executives, building a business plan and a development plan, assisting in recruiting and training local staff, and integrating new entities in the Group's matrix structure, in particular to give them access to the central support functions in Paris).

In consideration for these services, Iseran Management will receive:

- a fixed annual fee of €225,000 excluding VAT;

- a variable fee based on qualitative criteria (innovation, ethics, corporate life)[20] and quantitative criteria (performance criteria based on the achievement of various revenue and Group consolidated EBITDA targets)[21], which will be discussed and set annually as part of the annual budget approval process. The annual variable fee will be capped at €160,000 excluding VAT.

The fees paid by the Company pursuant to this agreement will be recharged in full or in part to the Group's subsidiaries based on their individual use of the services provided and on terms to be defined.

As of admission of the Company's shares for trading on Euronext Growth Paris and for the purpose of determining the amount of the annual variable fee payable under the services agreement, attainment of the targets referred to above will first be reviewed by the Appointments and Remuneration Committee and the outcome reported to the Board of Directors which will then take the ultimate decision on the rate of attainment. Nicolas d'Hueppe will not take part in the discussion or the vote on this matter. Furthermore, the same procedure will be followed should the criteria for determining the annual variable fee be amended. As regards the current year, the role of the Appointments and Remuneration Committee will be limited to analysing achievement of the targets set prior to admission of the Company's shares for trading on Euronext Growth Paris, as defined by Aspin Management's Supervisory Board.

In accordance with the provisions of the French Commercial Code, should the terms of the services agreement be amended (e.g. change to the qualitative criteria other than a revision of

[20] Up to 40% of the variable fee.

[21] Up to 60% of the variable fee, insofar as if the target is exceeded by 10% or more, the maximum bonus, equal to 130% of the 60% will be payable, if the target is 90% achieved, the bonus will be equal to 80% of the 60%, if the target is 80% achieved, the bonus will be equal to 60% of the 60% and if the target is 70% achieved, the bonus will be equal to 50% of the 60%. Between two points on the scale, the bonus will be calculated on a linear basis.

the targets based on unchanged criteria), the new terms will be subject to approval at an annual general meeting of the Company's shareholders. Neither Nicolas d'Hueppe nor Iseran Management will take part in the vote on the resolution to approve the amendments to the agreement.

Furthermore, Iseran Management will receive €48,000 (excluding tax) per year in respect of its office as Chair of Cellfish.

Table 2: Summary of remuneration paid to each executive corporate officer

The table below shows the remuneration due to and the remuneration received by Aspin Management in the 2018 and 2019 financial years

	2018		2019	
	Amounts due(1)	**Amounts paid(2)**	**Amounts due(1)**	**Amounts paid(2)**
Aspin Management *(amounts excl. tax)*				
Fixed remuneration	€399,992	€399,992	€399,992	€399,992
Annual variable remuneration(3)	€125,440	€125,440	€160,000	€160,000
Long-term variable remuneration	None	None	None	None
Exceptional remuneration	None	None	None	None
Director's fees	None	None	None	None
Benefits in kind	None	None	None	None
Total	**€525,432**	**€525,432**	**€559,992**	**€559,992**

(1) Remuneration excluding tax due to the corporate officer during the financial year, the amount of which will not change no matter what the date of payment.

(2) Remuneration excluding tax paid to the corporate officer during the financial year.

(3) The annual variable remuneration is based on management and performance criteria and capped at €160,000 before tax.

Table 3: Summary of director's fees and other remuneration received by non-executive corporate officers

The table presenting directors' fees paid in the past two financial years is not applicable to the extent that the Company was a *société par actions simplifiée* and did not have a Board of Directors during those two years.

Table 4: Securities giving access to the Company's share capital allotted to each executive corporate officer by the Company or a Group company in the 2018 and 2019 financial years

None.

Table 5: Securities giving access to the Company's share capital exercised by each executive corporate officer in the 2018 and 2019 financial years

None.

Table 6: Free shares allotted to each executive corporate office in the 2018 and 2019 financial years

None.

Table 7: Free shares vested for each executive corporate office in the 2018 and 2019 financial years

None.

Table 8: History of allotments of securities giving access to the Company's share capital to the executive corporate officers

None.

Table 9: Allotments of securities giving access to the Company's share capital to the top employees who are not executive corporate officers and options exercised by them

None.

Table 10: History of free share allotments

None.

Table 11:

Additional information about the remuneration and other benefits awarded to executive corporate officers

<table>
<tr><th rowspan="2">Executive corporate officers</th><th colspan="2">Employment contract</th><th colspan="2">Supplementary pension plan</th><th colspan="2">Severance pay and benefits</th><th colspan="2">Non-compete benefits</th></tr>
<tr><th>Yes</th><th>No</th><th>Yes</th><th>No</th><th>Yes</th><th>No</th><th>Yes</th><th>No</th></tr>
<tr><td>Nicolas d'Hueppe</td><td></td><td>X</td><td></td><td>X</td><td></td><td>X</td><td></td><td>X</td></tr>
<tr><td>Term of office begins:

Term of office ends:</td><td colspan="8">Date of the general meeting of the shareholders to be held prior to the AMF's approval of the Prospectus.

At the conclusion of the annual general meeting held to vote on the financial statements for the year ending 31 December 2022</td></tr>
</table>

4.2.2 Amounts set aside by the Company for the payment of pensions, retirement benefits and other benefits to corporate officers

Except for the provisions for the legal retirement benefit obligations disclosed in note 5.14 to Aspin Management's 2020 condensed interim financial statements shown in Section 5.2 of the Registration Document, the Company has not set aside any provisions for the payment of pensions, retirement benefits and other benefits to members of management or the Board of

Directors. The provision for retirement benefit obligations set aside in Aspin Management's 2019 consolidated financial statements amounted to €322,000.

The Company did not pay any joining or leaving bonuses to the above-mentioned corporate officer.

4.3 Shareholdings and stock options held by members of the administrative and management bodies

Not applicable.

5. FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS

5.1 Historical financial information

Aspin Management's consolidated financial statements for the financial years ended 31 December 2019 and 31 December 2018

Consolidated statement of financial position

In thousands of euros	Notes	31/12/2019	31/12/2018	01/01/2018
ASSETS				
Goodwill	5.1	2,862	2,748	2,748
Intangible assets	5.2	1,888	1,257	387
Property, plant and equipment	5.3	378	482	331
Right-of-use assets	5.4	4,059	4,159	4,600
Deferred tax assets	6.5	306	254	173
Non-current tax receivables	5.8	137	0	543
Other non-current financial assets	5.5	93	97	20
Total non-current assets		**9,723**	**8,997**	**8,802**
Trade and other receivables	5.6	6,932	8,270	7,621
Current tax and employment-related receivables	5.8	1,689	1,845	1,452
Other current assets	5.7	760	670	3,245
Cash and cash equivalents	5.9	4,194	3,978	4,826
Total current assets		**13,576**	**14,763**	**17,144**
Total assets		**23,299**	**23,760**	**25,946**
EQUITY AND LIABILITIES				
Share capital	5.10	3,241	2,676	2,676
Share premiums		2,435	0	0
Other comprehensive income		- 23	4	0
Reserves attributable to equity holders of the parent		1,174	2,435	2,460
Net income attributable to equity holders of the parent		- 892	-1,277	0
Equity attributable to equity holders of the parent		**5,935**	**3,838**	**5,137**
Equity attributable to non-controlling interests		3	0	0
Total consolidated equity		**5,938**	**3,838**	**5,137**
Employee benefits	5.14	322	308	368
Non-current financial liabilities	5.12	0	2,720	3,615
Non-current lease liabilities	5.4	4,063	4,018	4,465
Provisions	5.11	315	131	100
Non-current liabilities		**4,700**	**7,177**	**8,548**
Current financial liabilities	5.12	2,738	1,026	892
Current lease liabilities	5.4	346	447	135
Trade payables	5.15	6,788	7,634	6,891
Current tax and employment-related liabilities	5.16	2,518	3,281	3,475
Other current liabilities	5.16	271	357	868
Current liabilities		**12,661**	**12,745**	**12,261**
Total equity and liabilities		**23,299**	**23,760**	**25,946**

Consolidated income statement

In thousands of euros	Notes	2019	2018
Revenue	6.1	34,385	38,730
Cost of sales	6.2	-13,288	-15,043
Gross profit		**21,098**	**23,687**
Technological and development costs	6.2	-3,420	-3,388
Sales and marketing costs	6.2	-14,060	-16,758
General and administrative expenses	6.2	-4,468	-4,969
Operating income		**- 850**	**-1,428**
Net cost of debt	6.4	- 187	- 216
Other financial income and expense	6.4	- 13	- 95
Net financial income/expense		**- 201**	**- 311**
Income before tax		**-1,051**	**-1,739**
Current tax benefit (expense)	6.5	47	380
Deferred tax benefit (expense)	6.5	114	82
Consolidated net income		**- 890**	**-1,277**
Net income attributable to equity holders of the parent		*- 892*	*-1,277*
In thousands of euros			
Basic earnings per share		-1.74	-2.58
Diluted earnings per share		-1.74	-2.58

Consolidated statement of comprehensive income

In thousands of euros	2019	2018
Consolidated net income	**- 890**	**-1,277**
Exchange differences		
Items that may be recycled to profit or loss	**0**	**0**
Actuarial gains and losses on retirement benefit obligations net of deferred tax	- 27	4
Items that may not be recycled to profit or loss	**- 27**	**4**
Comprehensive income for the period	**- 917**	**-1,273**
Comprehensive income attributable to equity holders of the parent	*- 920*	*-1,273*

Consolidated statement of changes in equity

In thousands of euros, except for the number of shares	Share capital		Share premiums	Net income	Reserves	Actuarial gains and losses	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Shares	In thousands of euros							
1 January 2018	**2,708,743**	**2,676**	**0**		**2,460**	**0**	**5,137**	**0**	**5,137**
2018 net income				-1,277			-1,277		-1,277
2018 other comprehensive income						4	4		4
Comprehensive income for the period				**-1,277**	**0**	**4**	**-1,273**		**-1,273**
Transactions affecting the share capital							**0**		**0**
Change in treasury shares					**- 25**		**- 25**		**- 25**
31 December 2018	**2,708,743**	**2,676**	**0**	**-1,277**	**2,435**	**4**	**3,838**	**0**	**3,838**
1 January 2019	**2,708,743**	**2,676**	**0**	**0**	**1,158**	**4**	**3,838**	**0**	**3,838**
2019 net income				- 892			- 892	3	- 890
2019 other comprehensive income						- 27	- 27		- 27
Comprehensive income for the period				**- 892**	**0**	**- 27**	**- 919**	**3**	**- 916**
Transactions affecting the share capital	564,625	565	2,435				**3,000**		**3,000**
Other					38		**38**		**38**
Change in treasury shares					- 23		**- 23**		**- 23**
31 December 2019	**3,273,368**	**3,241**	**2,435**	**- 892**	**1,174**	**- 23**	**5,935**	**3**	**5,938**

The Company’s shares consist of ordinary shares and class A and B preferred shares: see note 5.11. Transactions affecting the share capital are detailed in Notes 1.3.1 and 1.3.2.

Consolidated cash flow statement

In thousands of euros	2019	2018
CASH FLOW STATEMENT		
Total net income of consolidated companies	**- 890**	**-1,277**
Depreciation, amortisation and provisions	1,113	732
Impact of changes in deferred taxes	- 42	- 23
Interest expense	187	216
Total funds from operations	**373**	**- 349**
Change in trade receivables arising from operating activities	1,267	2,028
Change in trade payables arising from operating activities	-1,523	435
Net cash generated by (used in) operating activities	**117**	**2,115**
Purchases of non-current assets	-1,069	-1,389
Disposals of non-current assets	2	0
Impact of changes in scope of consolidation	- 111	0
Change in receivables and payables relating to non-current assets	0	- 463
Net cash generated by (used in) investing activities	**-1,179**	**-1,852**
Increases (decreases) in share capital	3,000	0
Net change in bank facilities	- 132	132
Debt repayments	- 917	- 917
Repayment of lease liabilities	- 504	- 135
Interest paid	- 147	- 191
Net sales (purchases) of own shares	- 23	0
Net cash generated by (used in) financing activities	**1,277**	**-1,111**
Change in cash	**216**	**- 848**
Cash position at start of period	3,978	4,826
Cash position at end of period	4,194	3,978

(Except where otherwise indicated, the amounts stated in this note are expressed in thousands of euros)

CONTENTS

NOTE 1 PRESENTATION OF THE BUSINESS AND IMPORTANT EVENTS

1.1 Information about the Company and its business

Aspin Management (the "Company" or "Aspin Management") is a company incorporated under French law, and was formed as a simplified joint-stock corporation in June 2014. The consolidated group (the "Group") comprises the parent company Aspin Management SAS and the subsidiaries Alchimie SASU, Alchimie UK Ltd and Elixir SAS. The financial year lasts for 12 months, from 1 January to 31 December. Aspin Management is a holding company that holds stakes in companies providing subscription-based distribution services to video content producers. Alchimie publishes and co-publishes over-the-top theme television channels.

The Company's registered office is located at 43/45 avenue Victor Hugo, Bâtiment 264, 93534 Aubervilliers, France.

It is registered with the Bobigny trade and companies register under number 803 179 696.

1.2 Context of the publication

On 23 October 2020, the Chairman finalised Aspin Management's consolidated financial statements for the financial years ended 31 December 2019 and 31 December 2018

These consolidated financial statements have been prepared in accordance with IFRSs (International Financial Reporting Standards) as endorsed by the European Union, and in accordance with IFRSs as published by the IASB at 31 December 2019.
They have been prepared specifically for the purpose of publishing the registration document for the initial public offering of Alchimie SASU, which requires the presentation of IFRS financial statements over two years, since the Company qualifies as a SME within the meaning of European regulations.

Those standards, available on the IASB website Commission's web site (https://www.ifrs.org/issued-standards/list-of-standards/), consist of international accounting standards (IASs and IFRSs) and interpretations by the International Financial Reporting Interpretations Committee (IFRIC).

The general principles, accounting policies and options selected by the Group are described below.
The consolidated financial statements have been prepared in accordance with IFRS 1 "First-time adoption of IFRSs", based on a transition date of 1 January 2018, and according to the first-time adoption arrangements described in Note 2.1 "Preparation of the Group's first set of IFRS consolidated financial statements".

1.3 Key events

1.3.1 Key events in the financial year ended 31 December 2019

Increase in the share capital

Majority shareholder HLD had confirmed its intention to continue supporting and developing the Group's business. As a result, in a shareholders' general meeting on 27 September 2019, a decision was taken to increase the share capital by €3,000,008.33 through the issue of (i) 64,625 ordinary shares at a price of €38.68 each and (ii) 500,000 class A preferred shares at a price of €1 each.
The resulting funds are enabling the Company to continue repositioning itself as an aggregator of niche video content, operating as an intermediary between rights owners, content owners and distributors.

Convertible bond issue

A decision was also taken to supplement that capital increase with an issue of convertible bonds to be subscribed by HLD in full, in a total amount of around €3,000,000. That issue was carried out in April 2020.

Bank waiver in relation to the capital increase

The banks accepted a waiver by signing a supplementary agreement to the 2016 loan agreement on 24 May 2019, allowing the company to increase its capital without having to carry out early repayment of the remaining principal on the loan and not to test the financial ratios breached with respect to 2019 in view of the new business plan. In January 2020, the banks also agreed that the issue of convertible bonds, initially scheduled to take place by 31 December 2019, could take place before the end of March 2020. If the issue of convertible bonds were to take place after the end of 2019, this was an event of default provided for in the supplementary agreement of 24 May 2019. The banks have not made any early redemption request as a result of this event of default. Please refer to the details of covenants in the note on liquidity risk in Note 8.1 “Management and assessment of financial risks”.

Creation of Alchimie UK Ltd

The Company has created a wholly owned UK subsidiary called Alchimie UK Ltd, whose registered office is located at Suite 1, 3rd Floor, 11-12 St. James’s Square, London SW1Y 4LB, United Kingdom. That subsidiary has acquired the main assets of TVPlayer Ltd, consisting of its TVPlayer app, subscriber base and brands. Alchimie UK Ltd’s main business consists of distributing and exploiting the TVPlayer app via its website, the Amazon Fire store, Apple Store and Google Play.

Creation of Elixir SAS

With Mr Antoine Robin, the Company set up a company called Elixir, a simplified joint-stock corporation with capital of €1,000, whose registered office is located at 43-45 avenue Victor Hugo, 93534 Aubervilliers, France and which is registered with the Bobigny trade and companies register under number 853 844 884. At 31 December 2019, the Company owned a 50.01% stake in Elixir, which was dormant at that date.

1.3.2 Key events in the financial year ended 31 December 2018

Acquisition of a stake in The Artist Academy

In 2018, the Company acquired a 2.6% minority stake in The Artist Academy, a simplified joint-stock corporation whose registered office is located at 4 rue de Rome, 75008 Paris and which is registered with the Paris trade and companies registry under number 838 253 443.

1.4 Post-balance sheet events

Planned initial public offering and restructuring

In the second half of 2020, the Company has started the process of floating Alchimie SASU on the Euronext Growth market. Before the Company’s IPO and subject to a condition precedent relating to the setting of the public offering price, the Company is planning to restructure the Group. The main planned transactions are as follows: part of the Legacy business will be spun off to Elixir SAS (which is currently wholly owned by Alchimie SAS), Alchimie SASU will be converted into a public limited company (*société anonyme*), Aspin Management will be merged into Alchimie SA and shares in Elixir SAS will be distributed to the shareholders of Alchimie SA.

Covid-19

The Covid-19 pandemic broke out in early 2020, resulting in uncertain global economic conditions. The crisis started to affect organisations in France in early March 2020. The Group has taken steps to ensure the safety of its employees, including the adoption of remote working arrangements that allow it to continue serving its customers. The Company does not believe that this post-balance-sheet event will give rise to adjustments to its financial statements for the year ended 31 December 2019 or that it threatens its status as a going concern. From 31 December 2019 until the date on which these consolidated financial statements were finalised, there was no material change in the commercial or financial situation of the Company or the Group.

Buy-out of non-controlling interests in Elixir

On 28 August 2020, Aspin Management bought out non-controlling interests (i.e. the stake held by Mr Antoine Robin) in its controlled subsidiary Elixir, for a non-material amount.

NOTE 2 GENERAL PRINCIPLES

The financial statements are presented in thousands of euros unless otherwise stated. Figures are rounded for certain financial calculations and for other information contained in these financial statements. As a result, the totals appearing in some tables may not exactly equal the sum of the figures that precede them.

2.1 Preparation of the Group's first set of IFRS consolidated financial statements

Basis of preparation

The Group's consolidated financial statements were prepared on a historical cost basis, except for certain categories of assets and liabilities in accordance with IFRSs, i.e. employee benefits, which are measured using the projected unit credit method; borrowings and debt, which are measured according to the amortised cost method; and derivative financial instruments, which are measured at fair value.

Going concern

On the date on which the financial statements were finalised, the Group specifically reviewed its liquidity risk. The funding of expenditures that are vital to implement the Group's growth strategy in the SVoD field make it necessary to carry out the intended capital increase via the Company's IPO on Euronext Growth Paris by the end of 2020.

If market conditions prevented the capital-raising planned as part of the IPO from being successful, the Group would be able to review its growth strategy by limiting the expansion of its business internationally, by negotiating and adjusting some of its commitments, by slowing the rate at which it launches SVoD channels, by significantly reducing advertising expenditure (therefore affecting the number of new subscribers recruited), by using currently unused authorised factoring facilities and/or by adjusting its workforce, without being exposed to liquidity risk in the next 12 months. In light of the foregoing, the financial statements were prepared according to the going concern principle.

Accounting policies

In accordance with IFRS 1, the Group has applied all accounting standards in force at 31 December 2019 to all periods presented in the financial statements.

Main standards, amendments and interpretations approved by the IASB but not applicable at 31 December 2019:

- Amendments to IFRS 3 "Business Combinations", regarding acquisitions of assets and business combinations for which the acquisition date is on or after the start of the first accounting period commencing on or after 1 January 2020.
- Amendments to IAS 1 and IAS 8 regarding accounting periods commencing on or after 1 January 2020.

The Group is currently examining these amendments to determine any impact they could have on the financial statements.

2.2 Use of judgement and estimates

To prepare the financial statements in accordance with IFRSs, management uses estimates and judgement. Those estimates and/or judgements affect the amounts of assets and liabilities and contingent liabilities at the preparation date of the financial statements, and the amounts shown in respect of income and expense during the financial year.

Estimates are made on a going concern basis and are based on information available at the time they are made. They are continually assessed based on past experience and various other factors deemed to be reasonable, which represent the basis for assessing the carrying amount of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or if new information becomes available. Actual results may differ significantly from those estimates under different assumptions or conditions. The impact of changes in estimates is recognised in the relevant period or in the future periods affected.

Judgements, estimates and assumptions based on information available at the balance sheet date relate in particular to:

- Goodwill (Note 5.1);

- Capitalisation of development costs (Note 5.2);

Assumptions underlying the main estimates and judgements are described in the notes to these financial statements.

2.3 First-time adoption of IFRSs

Presentation of the financial statements

The financial statements were prepared in accordance with IFRS 1 "First-time adoption of International Financial Reporting Standards", based on a transition date of 1 January 2018.

Statement of financial position
Balance-sheet accounts have been reclassified to ensure their presentation complies with IFRSs.
The mandatory distinction under IFRSs, specifically IAS 1 "Presentation of financial statements", between current and non-current items on the balance sheet does not correspond to the French GAAP presentation used by the Group, which is based on the nature and/or liquidity of assets and liabilities. The presentation of the balance sheet has therefore been adjusted accordingly.
Assets and liabilities related to the operating cycle and those with a maturity of less than 12 months on the balance-sheet date are classified as current, while other assets and liabilities are classified as non-current.

Income statement
Unlike French GAAP, which requires items in individual-company income statements to be presented by nature, IFRSs allow the Group to choose whether to present them by nature or by function. The Group has opted to present items on the income statement by function.

Cash flow statement
There are few presentational differences between a cash flow statement prepared according to French GAAP and one prepared according to IFRSs.

The main impact of the first-time adoption of IFRSs on the Group's consolidated financial statements, previously prepared under French GAAP, are presented below:

Reconciliation of equity at 1 January 2018, 31 December 2018 and 31 December 2019

RECONCILIATION OF EQUITY BETWEEN FRENCH GAAP AND IFRSS **In thousands of euros**	**Notes**	**31/12/2019**	**31/12/2018**	**01/01/2018**
Equity - French GAAP		5,602	4,030	5,185
IFRS adjustment		**336**	**- 192**	**- 49**
IAS 36, goodwill	(a)	698	349	0
IFRS 9, senior debt	(b)	- 12	- 10	18
IFRS 9, trade receivables	(b)	- 91	- 108	- 98
IFRS 2, preferred shares	(c)	- 52	- 47	- 42
IFRS 15, revenue	(d)	0	0	0
IFRS 16, leases	(e)	8	12	0
IAS 19, post-employment benefits	(f)	38	52	82
IAS 12, deferred taxes	(g)	- 275	- 460	- 11
IAS 12, tax effect of adjustments	(g)	21	19	2
Equity - IFRSs		**5,938**	**3,838**	**5,137**

Reconciliation of comprehensive income for 2018 and 2019

TRANSITION FROM FRENCH GAAP CONSOLIDATED NET INCOME TO IFRS CONSOLIDATED NET INCOME In thousands of euros	**Notes**	**2019**	**2018**
Consolidated net income - French GAAP		-1,329	-1,130
IFRS adjustments		**438**	**- 148**
IAS 36, goodwill	(a)	349	349
IFRS 9, senior debt	(b)	- 2	- 28
IFRS 9, trade receivables	(b)	17	- 10
Preferred shares	(c)	- 5	- 5
IFRS 16, leases	(e)	- 5	12
IAS 19, retirement benefits	(f)	23	- 35
IAS 12, deferred taxes	(g)	33	- 454
Tax effect of adjustments	(g)	28	23
Consolidated net income - IFRS		**- 890**	**-1,277**
IAS 19, retirement benefits	(f)	- 27	4
Consolidated comprehensive income - IFRS		**- 917**	**-1,273**

Presentation of the various adjustments

(a) IAS 36 – Impairment of assets

In accordance with IAS 36, goodwill is not amortised but subject to impairment tests at least once per year to ensure that the carrying amount of goodwill does not exceed its recoverable amount.

The impact on income before tax from reversing goodwill amortisation amounted to €349 thousand in 2018 and 2019. In accordance with IAS 36, the balance of goodwill at 1 January 2018 was not adjusted relative to its net carrying amount in the French GAAP financial statements. In accordance with the options allowed by the transitional provisions of IFRS 3, the net carrying amount of goodwill was not adjusted at 1 January 2018.

(b) IFRS 9 – Financial instruments

The Group recognises financial assets and liabilities according to IFRS 9.

Debt
In accordance with IFRS 9, borrowings are recognised at amortised cost.

At 1 January 2018, this adjustment had a positive €18 thousand impact on consolidated reserves and reduced debt by €52 thousand.

There was a negative impact on income before tax amounting to €28 thousand in 2018 and €2 thousand in 2019.

Trade receivables
Under IFRS 9, provisions are set aside to cover credit risk related to trade receivables when the receivables arise.

At 1 January 2018, this adjustment led to the recognition of €98 thousand of additional impairment of trade receivables, and a €98 thousand negative impact on consolidated reserves.

There was a €10 thousand negative impact on income before tax in 2018 and a €17 thousand positive impact in 2019.

(c) Ordinary and preferred shares

In accordance with IFRS 2, only class B preferred shares (see Note 10.10.1 "Share capital") awarded to managers of the Company have been reclassified as tax and employment-related liabilities.

At 1 January 2018, this adjustment led to the recognition of €42 thousand of additional personnel-related liabilities, a €32 thousand reduction in the share capital in relation to the preferred shares and a €10 thousand reduction in consolidated reserves.

The change in personnel-related liabilities had a €5 thousand negative impact on income before tax in 2018 and 2019.

(d) IFRS 15 - Revenue from contracts with customers

IFRS 15 sets out the principles for recognising revenue from contracts with customers. It requires revenue to be recognised when control over goods or services is transferred to the customer. IFRS 15 also introduces the notion of agent and principal, requiring revenue to be recognised on a gross basis if the entity controls a good or service before it is transferred to the customer, or on a net basis if it does not.

The presentation of the Group's various business activities and the related IFRS 15 analysis are detailed in Note 6.1.

In accordance with IFRS 15, the Group has adjusted revenue and related expenses according to whether the Group acts as principal or agent in its various activities. An analysis by business activity is provided in Note 3.

This "agent/principal" adjustment, applied to some contracts, led to a €774 thousand reduction in consolidated revenue in 2019 and the recognition of €56 thousand of additional revenue in 2018. These adjustments led to changes in operating expenses in the same amounts in 2019 and 2018. Since the adjustments involved reclassifications within the income statement, they had no impact on the Group's net income

(e) IFRS 16 – Leases

IFRS 16 defines leases and sets out the recognition method and disclosures required for leases that meet that definition.

The application of IFRS 16 from 1 January 2018 requires right-of-use assets relating to leased assets to be recognised on the lessee's balance sheet, along with a lease liability, for all leases that meet the definition, except in cases where practical expedients may be used (see accounting policies in Note 5.4).

Lease liabilities were recognised as the present value of lease payments not yet paid, discounted at the marginal borrowing rate of the lessee Company on the transition date.

The Group chose to recognise right-of-use assets in the same amount as the lease liabilities, subject to an adjustment for the amount of contingent lease payments made in advance.

Lease terms were determined using the method described in Note 5.4 "Right-of-use assets and lease liabilities".

At 1 January 2018, the application of IFRS 16 led to the recognition of €4,600 thousand of right-of-use assets and €4,600 thousand of lease liabilities.

At 31 December 2018, net right-of-use assets amounted to €4,159 thousand and lease liabilities amounted to €4,464 thousand.
At 31 December 2019, net right-of-use assets amounted to €4,059 thousand and lease liabilities amounted to €4,409 thousand.

Expenses related to leases are apportioned on the income statement between amortisation (€441 thousand in 2018 and €548 thousand in 2019) and financial expense (€82 thousand in 2018 and €80 thousand in 2019). There was a €12 thousand positive impact on income before tax in 2018 and a €5 thousand negative impact in 2019.

(f) IAS 19 – Employee benefits

IAS 19 governs the recognition of benefits granted to employees, such as long-term benefits (e.g. long-service bonuses) and post-employment benefits (e.g. lump sums paid on retirement).

In accordance with IAS 19, for defined-benefit plans, retirement benefit obligations are adjusted in order to be measured using the projected unit credit method (see Note 5.14).

At 1 January 2018, this adjustment reduced provisions by €82 thousand.

The impact on income before tax consisted of €35 thousand of additional expenses in 2018 and a €23 thousand gain in 2019.

The impact on comprehensive income consisted of €27 thousand of additional expenses in 2019 and a €4 thousand gain in 2018.

(g) IAS 12 – Income taxes

The Group recognises deferred tax in accordance with IAS 12, and has recorded deferred tax on IFRS adjustments that create a temporary or permanent difference between the carrying amount and tax basis of assets and liabilities. The tax effect of IFRS adjustments was positive at €28 thousand in 2019 and €23 thousand in 2018.

Tax loss carryforwards amounted to €461 thousand at 31 December 2018 and €428 thousand at 31 December 2019, but have not been used, in accordance with IAS 12. Regulated provisions have been eliminated in the IFRS financial statements as have the related deferred tax liabilities in an amount of €153 thousand at 31 December 2019.

NOTE 3 SCOPE OF CONSOLIDATION

Accounting policies

The Group applies IFRS 10 “Consolidated financial statements”. This standard sets out a single consolidation model, which identifies control as the sole criterion for consolidating an entity. An investor has control over an entity if it has power over the entity, if it is exposed, or has rights, to variable returns from its involvement with the entity, and if it has the ability to use its power over the entity to affect the amount of its returns.

Subsidiaries are entities over which the Group has control. They are fully consolidated from the date on which the Group obtains control over them, and are deconsolidated from the date on which they cease to be controlled by the Group. Intragroup balances and transactions are eliminated.

Aspin Management has sole control over all subsidiaries.

At 31 December 2018 and 31 December 2019, the Group consisted of the following fully consolidated entities:

Name	Country	31/12/2019 % control	31/12/2019 % interest	31/12/2019 Consolidation method	31/12/2018 % control	31/12/2018 % interest	31/12/2018 Consolidation method
PARENT COMPANY							
Aspin Management SAS	France	-	-	-	-	-	-
SCOPE OF CONSOLIDATION							
Alchimie SASU(1)	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Elixir SAS	France	50.10%	50.10%	Full consolidation	-	-	Full consolidation
Alchimie UK Ltd	United Kingdom	100%	100%	Full consolidation	-	-	Full consolidation
Alchimie Rights SASU(2)	France	100%	100%	Full consolidation	-	-	Full consolidation
Cellfish GmbH(3)	Germany	100%	100%	Full consolidation	100%	100%	Full consolidation

(1) Formerly Cellfish in 2018
(2) Formerly Alchimie France in 2018
(3) Formerly Legion Telekomunikation GmbH in 2018

The financial statements of the Alchimie UK subsidiary are prepared in a functional currency other than the euro (i.e. GBP) and are translated into euro:

- at the exchange rates in force at the end of the period for assets and liabilities;
- at the exchange rates on the dates of each transaction for income and expenses, or at average exchange rates for the period if they are similar to the exchange rates on the transaction dates.

Exchange differences that arise from using this method are recognised in consolidated equity under “Other comprehensive income”.

Changes in the scope of consolidation are discussed in more detail in the section on key events in 2018 and 2019 (Note 1.3.1).

NOTE 4 SEGMENT REPORTING

Accounting policies

Under IFRS 8 “Operating segments”, segment reporting must be organised according to operating segments, whose results are regularly examined by the chief operating decision maker in order to assess their performance and take decisions about the resources to be allocated to them. Segment reporting must reflect internal reporting to the chief operating decision maker.

The Group generates revenue from two main businesses: the Video business and the Legacy business. The Group’s internal reporting to the chief operating decision maker, the Company’s Supervisory Committee, is based on these businesses, which constitute the Group’s two operating segments.

Video segment

The Video segment mainly consists of video streaming services that are invoiced on a subscription basis. These services give customers unlimited access to a library of video-on-demand programmes and/or linear channels, and constitute a single performance obligation that is satisfied over time, with customers simultaneously receiving and consuming the benefits from the Group’s service whenever the service is used. In its relationship with the partner, the Group acts as principal with respect to the end-customer, since it is responsible for content, the activation of the end-customer’s subscription, and the setting of the selling price. As a result, the Group recognises revenue from this business on a gross basis, and recognises the various related distribution and invoicing commissions as expenses on a *prorata temporis* basis over the term of the subscription.

Legacy segment

The Legacy segment consists of various types of services that are treated differently for accounting purposes and detailed below.

Part of the Legacy business consists of acting as a service provider, giving customers unlimited access to a library of games (Snack Games) or a library of ringtones, images and apps (KKO, Mobidol). This constitutes a single performance obligation that is satisfied over time, with customers simultaneously receiving and consuming the benefits from the Group’s service whenever the service is used. In its relationship with operators, the Group acts as principal with respect to the end-customer, since it is responsible for content, the setting of the selling price and after-sales service provided to the customer.

As a result, the Group recognises revenue from providing these services on a gross basis, and recognises the various related commissions as expenses on a *prorata temporis* basis over the term of the subscription.

Another part of the Legacy business consists of several types of services that the Group provides as an intermediary between its customer and the initial client. These services mainly correspond to the Group’s long-standing activities in Germany.

In its relationship with partners, the Group acts as agent with respect to the end-customer, since it is not responsible for the main service promised. As a result, the Group recognises revenue from this business on a net basis, deducting only the related commissions from revenue.

The final part of the Legacy business consists of providing professional services in the digital domain to third parties (mainly services provided to Orange). These services are provided directly to the end-customer, without any intermediary. As a result, there is no agent/principal distinction in this business activity.

At the end of the restructuring transactions planned in the event of Alchimie’s successful IPO, the retained Legacy business would consist of the Group’s long-standing activities in Germany along with the Orange contracts.

The Group uses the following indicators as the main indicators of its operational performance:

	2019			2018		
In thousands of euros	**VIDEO**	**LEGACY**	**TOTAL**	**VIDEO**	**LEGACY**	**TOTAL**
Revenue	18,391	15,994	34,385	10,038	28,692	38,730
Cost of sales	-8,587	-4,700	-13,288	-5,124	-9,920	-15,043
Gross profit	**9,804**	**11,294**	**21,098**	**4,915**	**18,772**	**23,687**
Technological and development costs	-2,401	-1,019	-3,420	-1,780	-1,607	-3,388
Sales and marketing costs	-12,019	-2,041	-14,060	-9,410	-7,349	-16,758
General and administrative expenses	-2,994	-1,474	-4,468	-2,660	-2,309	-4,969
Operating income	**-7,611**	**6,760**	**- 851**	**-8,935**	**7,507**	**-1,428**

Non-current assets allocated by business segment are as follows:

- Goodwill (net amount of €2,748 thousand at 1 January 2018 and 31 December 2018 and €2,862 at 31 December 2019), mainly allocated to the Legacy segment (see Note 5.1)
- Capitalised development costs (net amount of €10 thousand at 1 January 2018, €878 thousand at 31 December 2018 and €1,519 thousand at 31 December 2019), all allocated to the Video segment (see Note 5.2)

The breakdown of revenue by geographical zone is based on the customer's origin, and is as follows:

BREAKDOWN OF REVENUE BY GEOGRAPHICAL ZONE **In thousands of euros**	**2019**	**2018**
France	14,784	23,625
Germany	15,209	9,401
UK	3,448	3,644
Australia	0	1,275
Other	943	785
Total	**34,385**	**38,730**

In 2018 and 2019, no client accounted for more than 10% of the Group's consolidated revenue.

The breakdown of non-current assets by geographical zone at 31 December 2019 was as follows:

Non-current assets by geographical zone at 31/12/2019 **In thousands of euros**	**France**	**Germany**	**UK**	**TOTAL**
Goodwill	2,748	0	114	2,862
Intangible assets	1,884	4	0	1,888
Property, plant and equipment	367	11	0	378
Right-of-use assets	3,933	126	0	4,059
Total	**8,932**	**141**	**114**	**9,187**

NOTE 5 DETAILS REGARDING THE STATEMENT OF FINANCIAL POSITION

5.1 Goodwill and impairment testing

Accounting policies

Goodwill is recognised at cost as established on the date of acquiring a business, less any cumulative impairment losses.

Goodwill is not amortised. It is tested for impairment whenever evidence of a loss of value appears and at least once per year. All impairment losses are deducted from net income for the period and apportioned between the parent company and non-controlling interests.

For the purpose of impairment tests, goodwill is allocated to cash-generating units (CGUs) or groups of CGUs, defined as the smallest group of identifiable assets generating cash inflows that are broadly independent of cash inflows generated by other assets or groups of assets.

Tests are carried out at the level of the cash-generating unit (CGU) level to which the asset belongs. If the recoverable amount of a CGU is less than its carrying amount, an impairment loss is charged firstly against goodwill, then against other assets, and is recognised in the income statement.

Use of estimates and judgement

Certain estimates are made when determining the recoverable amount of a CGU, defined as the higher of realisable value less costs to sell and value in use.

Value in use is estimated as the present value of estimated future cash flows. Cash flow projections are based on economic assumptions determined by the Group's management as follows:

- cash flows included in the three-year budget;
- beyond that, cash flows extrapolated by applying a perpetual growth rate that reflects the market's expected long-term growth rate.

The Group analyses its business on the basis of two CGUs: the Legacy CGU and the Video CGU. Those two CGUs correspond to the Group's two operating segments.

In October 2015, Aspin Management acquired all shares in Cellfish (now known as "Alchimie"). The goodwill related to that acquisition, allocated to the Legacy CGU and measured on the basis of Cellfish's consolidated financial statements on 15 October 2015, was €3,492 thousand. Goodwill at 1 January 2018 corresponds, in accordance with IFRS 1, to the net amount of goodwill at 31 December 2017 using the previous accounting methods, i.e. French GAAP.

Changes in goodwill since 1 January 2018 have been as follows:

GOODWILL **In thousands of euros**	Gross amount	Impairment	Net amount	***Net amount - Legacy CGU***	***Net amount - Video CGU***
1 January 2018	**2,748**	**0**	**2,748**	***2,721***	***27***
Increases	0	0	0	0	0
Decreases	0	0	0	0	0
31 December 2018	**2,748**	**0**	**2,748**	***2,721***	***27***
Increases	114	0	0	0	*114*
Decreases	0	0	0	0	0
31 December 2019	**2,862**	**0**	**2,862**	***2,721***	***141***

This goodwill relating to the Legacy business was tested for impairment at 1 January 2018, 31 December 2018 and 31 December 2019. Because it was acquired only recently, the portion allocated to the Video CGU was not tested.

The main assumptions used by the Group for the periods presented are based on applying a weighted average cost of capital (WACC) of 11.9% to forecast cash flows. A perpetual growth rate (PGR) of 10.0% was also applied to cash flows in the final year of the projected period.

Tests did not give rise to any impairment of goodwill at 31 December 2019.

Terminal value accounts for 20% of the Legacy CGU's total value. The table below shows how sensitive impairment test results are to changes in the main assumptions used at 31 December 2019:

Sensitivity at 31 December 2019	**Headroom**	WACC +1.0%	PGR - 5.0%	Cash flow-based terminal value - 20.0%	**Combination of the three factors**
Legacy CGU goodwill	**6.6**	-0.3	-0.4	-0.4	**-1.1**

5.2 Intangible assets

Accounting policies

Intangible assets include:

- Brands
- Software licences
- Capitalised development costs (recognised as advances and downpayments on intangible assets during the development phase and as software once the development phase is completed)

Brands, which have an indeterminate life, are not amortised but are subject to impairment tests where there is evidence of a decrease in their value.

The cost of acquiring software licences is capitalised on the basis of purchase and installation costs.

Under IAS 38 "Intangible assets", development costs incurred by the Group must be capitalised where all of the following criteria are met:

- The Group has the intent and the technical ability to see the development project through to completion;
- There is a high probability that the future economic benefits arising from development spending will accrue to the company, which is generally evidenced by the existence of orders or contracts;
- Costs can be reliably measured;
- The Group is able to use or sell the intangible asset;
- The Group has the resources needed to complete the project.

Research and development costs that do not meet the aforementioned criteria are recorded on the income statement under "Research and development costs" in the period in which they are incurred.

These assets are amortised on a straight-line basis over their estimated useful lives:

- Purchased software: 1-2 years
- Software developed in house: 4 years

The table below illustrates movements during the two periods presented:

The cost of projects to develop new platform functions related to technical video infrastructure are capitalised. Those projects generate more traffic on the website and therefore more customers, in line with the Company's commercial strategy.
Their cost has been capitalised in accordance with IFRSs, to the extent that they meet the capitalisation criteria set out in IAS 38.57. At 31 December 2019, capitalised development costs had a gross amount of €1,840 thousand, and amortisation totalled €320 thousand.

INTANGIBLE ASSETS In thousands of euros	Trademarks	Software	Advances and downpayments on intangible assets	Total
GROSS AMOUNT				
01/01/2018	**365**	**140**	**10**	**515**
Acquisition	0	0	276	276
Disposals and retirements	0	0	- 10	- 10
31/12/2018	**365**	**823**	**276**	**1,188**
Acquisition	0		885	885
Disposals and retirements	0		0	0
Change in scope	0	- 36	0	- 36
31/12/2019	**365**	**787**	**1,161**	**2,037**
AMORTISATION				
01/01/2018	**0**	**- 128**	**0**	**- 128**
Additions	0	- 79	0	- 79
Disposals and retirements	0		0	0
31/12/2018	**0**	**- 207**	**0**	**- 207**
Additions	0	- 254	0	- 254
Disposals and retirements	0		0	0
Change in scope	0	36	0	36
31/12/2019	**0**	**- 426**	**0**	**- 426**
NET CARRYING AMOUNTS				
01/01/2018	**365**	**12**	**10**	**387**
31/12/2018	**365**	**616**	**276**	**1,257**
31/12/2019	**365**	**362**	**1,161**	**1,887**

For the periods presented, the Group did not identify any evidence of any loss of value in the Group's CGUs, and did not carry out any impairment tests.

5.3 Property, plant and equipment

Accounting policies

Property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses. Subsequent expenditure is included in the carrying amount of the asset or, as the case may be, is recognised as a separate asset if it is likely that the future economic benefits associated with the assets will accrue to the Group and the cost of the asset can be measured reliably. All repair and maintenance costs are expensed.

Depreciation is calculated on a straight-line basis, over the following estimated useful lives:

- Plant and equipment: 3-5 years
- Fixtures and fittings: 10 years
- Works and structural works: 10 years
- Office equipment and computer hardware: 2-5 years
- Furniture: 3-5 years
- Presentation equipment: 2 years

The residual values, useful lives and depreciation schedules of assets are reviewed at each annual closing date and adjusted, if necessary, on a forward-looking basis.
Purchase costs are recognised directly as expenses.

The table below illustrates movements in property, plant and equipment during the two periods presented:

PROPERTY, PLANT AND EQUIPMENT In thousands of euros	Office equipment and computer hardware	Vehicles	Other property, plant and equipment	Property, plant and equipment in progress	Total
GROSS AMOUNT					
01/01/2018	**332**	**0**	**173**	**129**	**633**
Acquisition	280	20	167		467
Disposals and retirements				- 129	- 129
31/12/2018	**612**	**20**	**339**	**0**	**972**
Acquisition	62				62
Disposals and retirements	- 2				- 2
Change in scope	- 4				- 4
31/12/2019	**668**	**20**	**339**	**0**	**1,028**
DEPRECIATION					
01/01/2018	**- 260**	**0**	**- 42**	**0**	**- 302**
Additions	- 167	- 3	- 17		- 188
Disposals and retirements					0
Change in scope					0
31/12/2018	**- 427**	**- 3**	**- 59**	**0**	**- 490**
Additions	- 119	- 4	- 43		- 166
Disposals and retirements	2				2
Change in scope	5				5
31/12/2019	**- 540**	**- 7**	**- 102**		**- 649**
NET CARRYING AMOUNTS					
01/01/2018	**72**	**0**	**131**	**129**	**331**
31/12/2018	**184**	**17**	**280**	**0**	**482**
31/12/2019	**128**	**13**	**238**	**0**	**379**

5.4 Right-of-use assets and lease liabilities

Accounting policies

IFRS 16 “Leases” redefines the recognition, measurement and presentation of leases.

When a lease is initially recognised, lease liabilities are recognised as the present value of lease payments not yet paid, discounted at the marginal borrowing rate of the lessee Company.

Right-of-use assets are recognised in the same amount as the lease liabilities, subject to an adjustment for the amount of contingent lease payments made in advance.

As IFRS 16 allows, the Group has chosen to apply exemptions for its short-term leases (with a remaining term of less than 12 months) and leases whose underlying assets are of low value.

The lease terms used by the Group reflect the non-cancellable terms of each lease, along with any extension or early termination option that the Group is reasonably certain to exercise or not exercise for all periods covered by the extension options. For vehicle leases, the term adopted is that of the lease.

The Group is not affected by the decision taken by the IFRS IC on 26 November 2019 concerning the assessment of lease terms for leases renewable by tacit agreement and cancellable leases (with no particular contractual end-date) and concerning the amortisation period of non-removable leasehold improvements.

Finally, the discount rate used to measure the lease liability is the interest rate that the lessee would have had to pay if it had financed the leased asset through a loan from its bank. It is estimated at 2.0% for the periods presented.

CHANGE IN RIGHT-OF-USE ASSETS BY CATEGORY **In thousands of euros**	**Property leases**	**Vehicles**	**Servers**	**Total**
Net amount at 1 January 2018	**4,573**	**27**	**0**	**4,600**
Amortisation	- 430	- 11	0	- 441
Net amount at 31 December 2018	**4,143**	**16**	**0**	**4,159**
New leases	0	32	416	448
Amortisation	- 430	- 13	- 104	- 548
Net amount at 31 December 2019	**3,713**	**35**	**312**	**4,059**
Gross amount	*4,573*	*59*	*416*	*5,048*
Cumulative amortisation	*- 860*	*- 24*	*- 104*	*- 989*

LEASE LIABILITY SCHEDULE BY CATEGORY **In thousands of euros**	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Property leases	125	1,455	2,993	4,573
Vehicles	11	16	0	27
Total at 1 January 2018	**135**	**1,471**	**2,993**	**4,600**
Property leases	436	1,422	2,591	4,448
Vehicles	11	5	0	16
Total at 31 December 2018	**447**	**1,427**	**2,591**	**4,465**
Property leases	212	1,621	2,180	4,013
Vehicles	16	18	0	35
Servers	118	243	0	361
Total at 31 December 2019	**346**	**1,882**	**2,180**	**4,409**

Other information

Interest expense relating to lease liabilities, presented in the gross cost of debt on the income statement, is as follows:

In thousands of euros	**2019**	**2018**
Interest expense relating to lease liabilities	**80**	**82**

The amount of lease expenses relating to leases exempt from restatement under IFRS 16 was €19 thousand in 2019 (€20 thousand in 2018).

5.5 Other financial assets

Accounting policies

Under IFRS 9 “Financial instruments”, financial assets are measured at fair value through other comprehensive income, at amortised cost or at fair value through profit or loss. In the statement of financial position, these categories correspond to other current and non-current financial assets (Note 5.5), trade receivables and other current assets (Note 5.6) and cash and cash equivalents (Note 5.9).

Classification and measurement of financial assets
The classification proposed by IFRS 9 determines how assets are recognised and measured. Financial assets are classified according to two criteria:

- the Group’s model for managing financial assets; and
- the characteristics of the financial asset’s contractual cash flows (i.e. whether or not they involve repayments of principal or solely interest payments).

Depending on the combined analysis of these two criteria, IFRS 9 provides for three ways of measuring assets:

- they are measured at fair value through profit or loss;
- they are measured at fair value through other comprehensive income (with or without recycling); or
- they are measured at amortised cost on the balance-sheet date.

Impairment of financial assets
The main change arising from the application of IFRS 9 concerns the application of the new impairment model for financial assets (including contract assets), which involves recognising the credit losses expected at maturity instead of losses incurred as under IAS 39.
As regards trade receivables, the Group uses the simplified approach. Using that approach did not lead to the recognition of any correction of impairment losses with respect to trade receivables.

Hedge accounting
The adoption of the IFRS 9 hedge accounting model did not lead to any change to the Group’s hedging policy.

The Group’s financial assets consist of loans, receivables and investments in non-consolidated affiliates. Financial assets are initially recognised at cost, i.e. the price paid plus acquisition costs.

Investments in non-consolidated affiliates
Other financial assets include equity securities, corresponding to Aspin Management’s 2.6% stake in The Artist Academy. Under IFRS 9, the Group has chosen to recognise these assets at fair value through profit or loss. This affiliate did not pay any dividends with respect to the periods presented.

Loans and receivables
These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
Loans, trade receivables and other receivables are classified at amortised cost.

OTHER FINANCIAL ASSETS **In thousands of euros**	**Investments in non-consolidated affiliates**	**Loans, guarantee deposits and other receivables**	**Total**
Statement of financial position at 1 January 2018	**0**	**20**	**20**
Increases	80	5	85
Decreases	0	- 8	- 8
Statement of financial position at 31 December 2018	**80**	**17**	**97**
Decreases	0	- 2	- 2
Change in scope	0	- 2	- 2
Statement of financial position at 31 December 2019	**80**	**13**	**93**

5.6 Trade receivables

Trade receivables are initially recognised at transaction price within the meaning of IFRS 15 where they do not include any material financing component. The Group uses an impairment model that models expected credit losses.

Trade receivables break down as follows:

TRADE RECEIVABLES **In thousands of euros**	**31/12/2019**	**31/12/2018**	**01/01/2018**
Trade receivables	5,669	5,994	2,173
Invoices not yet raised	1,584	2,613	5,645
Impairment of trade receivables	- 320	- 337	- 197
Net total trade receivables	**6,932**	**8,270**	**7,621**

At 31 December 2018 and 31 December 2019, impairment of trade receivables included a specific impairment loss of €230 thousand relating to an Australian customer.

At 1 January 2018, impairment of trade receivables included a specific €100 thousand impairment loss relating to a German customer. That impairment loss was reversed in 2018.

At 31 December 2019 trade receivables broke down as follows by due date:

BREAKDOWN OF TRADE RECEIVABLES **In thousands of euros**	**0 days**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and above**	**Total**
Total trade receivables - gross	6,344	321	168	83	337	**7,253**
Impairment of trade receivables	- 80	- 4	- 2	- 1	- 234	**- 320**
Total trade receivables - net	**6,264**	**317**	**166**	**81**	**103**	**6,932**

5.7 Other current assets

Other current assets amounted to €760 thousand at 31 December 2019 and break down as follows:

OTHER RECEIVABLES AND ACCRUALS In thousands of euros	31/12/2019	31/12/2018	01/01/2018
Suppliers - Advances and prepayments	4	4	0
Other amounts receivable from suppliers	24	155	207
Other receivables - current	327	407	0
Prepaid expenses	405	103	154
Factoring	0	0	2,884
Total other current assets	**760**	**670**	**3,245**

CIR research tax credit

Until 2018, Aspin Management benefited from the provisions of Articles 244 quater B and 49 septies F of the French General Tax Code relating to the CIR research tax credit. These tax credits were recognised under "Technological and development costs" in the year in which the eligible research expenditure took place. No CIR receivables were generated in 2019 (€63 thousand in 2018).

5.8 Tax and employment-related receivables

Tax and employment-related receivables amounted to €1,826 thousand at 31 December 2019, €1,845 thousand at 31 December 2018 and €1,995 thousand at 1 January 2018.

Tax and employment-related receivables break down as follows:

TAX AND EMPLOYMENT-RELATED RECEIVABLES In thousands of euros	31/12/2019	31/12/2018	01/01/2018
VAT	1,284	1,439	1,451
Current tax receivables	404	404	0
Employees and social security agencies	2	3	1
Current tax and employment-related receivables	**1,689**	**1,845**	**1,452**
Non-current tax receivables	137	0	543
Non-current tax and employment-related receivables	**137**	**0**	**543**
Total tax and employment-related receivables	**1,826**	**1,845**	**1,995**

5.9 Cash and cash equivalents

Accounting policies

The Group classifies investments that meet the conditions set out in IAS 7 under cash and cash equivalents in its statement of financial position and cash flow statement:

- Investments held for the purpose of meeting short-term cash commitments; and
- Short-term assets at the time of acquisition, highly liquid, readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

The Group’s cash position breaks down as follows:

CASH AND CASH EQUIVALENTS In thousands of euros	31/12/2019	31/12/2018	01/01/2018
Cash	4,076	3,860	4,488
Marketable securities	118	118	338
Total cash and cash equivalents	**4,194**	**3,978**	**4,826**

5.10 Equity

Accounting policies

Equity instruments

The classification of a financial instrument or its components as equity depends on the analysis of its contractual financial characteristics. Where the entity that issued the financial instrument has no contractual obligation to deliver cash or another financial asset to the holder, the financial instrument is an equity instrument.

Fees relating to equity transactions

External expenses directly attributable to capital transactions or equity instruments are recognised, net of tax, as a deduction from equity. Other fees are expensed during the accounting period.

5.11 Share capital

At 31 December 2019, the Company’s share capital consisted of 3,273,368 shares with par value of €1.00 each, fully paid up and comprising:

- 559,625 ordinary shares
- 105,000 class A preferred shares
- 2,608,743 class B preferred shares

Class A preferred shares give holders the right to an exclusive cumulative priority dividend paid from distributable company profits in each accounting period, with priority over any dividend attributed to ordinary shares.

Class B preferred shares give holders the right to an exclusive cumulative dividend, with priority over any dividend attributed to ordinary shares, but ranking below to the category A priority dividend, paid from distributable company profits in each accounting period.

The par value of the 32,332 class B preferred shares awarded to Company managers has been reclassified under tax and employment-related liabilities (see Note 2.3(c)).

A capital increase was carried out on 27 September 2019 in a nominal amount of €564,625 (see Note 1.3.1).

5.12 Dividends paid

The Company did not pay any dividends in the periods presented.

5.13 Provisions

Accounting policies

A provision is recognised when the Group has an obligation towards a third party resulting from a past event, it is probable that an outflow of resources will be required to settle the obligation to that third party, and the future cash outflows can be reliably estimated.

Use of estimates and judgement

The amount of a provision is the estimate of the outflow required to settle the obligation, the present value of which is calculated at the closing date where necessary. Provisions for contingencies include provisions relating to litigation underway. The amount of provisions corresponds to the best estimate of the contingency.

Contingency and loss provisions amounted to €315 thousand at 31 December 2019:

CONTINGENCY AND LOSS PROVISIONS In thousands of euros	31/12/2018	Additions	Reversed used	Reversed unused	31/12/2019
Contingency and loss provisions	131	189	- 5	0	315
Total	**131**	**189**	**- 5**	**0**	**315**

Contingency and loss provisions amounted to €131 thousand at 31 December 2018:

CONTINGENCY AND LOSS PROVISIONS In thousands of euros	01/01/2018	Additions	Reversed used	Reversed unused	31/12/2018
Contingency and loss provisions	100	131	- 100	0	131
Total	**100**	**131**	**- 100**	**0**	**131**

5.14 Current and non-current financial liabilities

Financial liabilities broke down as follows at the end of the two financial years:

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES In thousands of euros	31/12/2019	31/12/2018	01/01/2018
Borrowings from credit institutions [1]	0	2,720	3,615
Lease liabilities	4,063	4,018	4,465
Non-current financial and lease liabilities	**4,063**	**6,738**	**8,080**
Borrowings from credit institutions	2,738	894	892
Lease liabilities	346	447	135
Bank facilities	0	132	0
Current financial and lease liabilities	**3,085**	**1,472**	**1,027**
Total financial and lease liabilities	**7,147**	**8,211**	**9,107**

[1] All senior debt was classified under current financial liabilities at 31 December 2019 due to a breach of covenant at that date, in relation to the issue of convertible bonds after 31 December 2019. The Group requested a waiver on 20 December 2019 and it was accepted by the banking syndicate on 24 January 2020. The banking syndicate did not make any request for early repayment. Please refer to the details about covenants in the note on liquidity risk in Note 8.1 “Management and assessment of financial risks”.

Financial liabilities measured on the basis of undiscounted cash flows (excluding interest) broke down as follows at the end of the two financial years:

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES MEASURED ON THE BASIS OF UNDISCOUNTED CASH FLOWS	31/12/2019			
In thousands of euros	Total	Due in less than one year	Due in 1-5 years	Due in more than 5 years
Borrowings from credit institutions	2,750	2,750	0	0
Lease liabilities	4,904	369	2,704	1,830
Total financial and lease liabilities	**7,654**	**3,119**	**2,704**	**1,830**

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES MEASURED ON THE BASIS OF UNDISCOUNTED CASH FLOWS	31/12/2018			
In thousands of euros	Total	Due in less than one year	Due in 1-5 years	Due in more than 5 years
Borrowings from credit institutions	3,667	917	2,750	0
Lease liabilities	4,970	530	2,152	2,288
Bank facilities	132	132	0	0
Total financial and lease liabilities	**8,769**	**1,579**	**4,902**	**2,288**

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES MEASURED ON THE BASIS OF UNDISCOUNTED CASH FLOWS	01/01/2018			
In thousands of euros	Total	Due in less than one year	Due in 1-5 years	Due in more than 5 years
Borrowings from credit institutions	4,583	917	3,667	0
Lease liabilities	5,188	218	2,225	2,746
Total financial and lease liabilities	**9,772**	**1,135**	**5,891**	**2,746**

The differences between the financial liabilities shown on the statement of financial position and financial liabilities measured on the basis of undiscounted cash flows result from:

- The use of amortised cost to measure borrowings from credit institutions
- The discounting of future lease payments in relation to lease liabilities

Cash impacts are as follows:

In thousands of euros	31/12/2018	Cash inflows	Cash outflows	Other	31/12/2019
Borrowings from credit institutions	3,667		- 917		2,750
Lease liabilities	4,970		- 66		4,904
Bank facilities	132		- 132		0
Total	**8,769**	**0**	**-1,115**	**0**	**7,654**

In thousands of euros	01/01/2018	Cash inflows	Cash outflows	Other	31/12/2018

Borrowings from credit institutions	4,583		- 917		3,667
Lease liabilities	5,188		- 218		4,970
Bank facilities	0			132	132
Total	**9,772**	**0**	**-1,135**	**132**	**8,769**

5.15 Debt owed to credit institutions

Accounting policies

Borrowings and other financial liabilities are recognised at amortised cost using the effective interest rate method. The effective interest rate includes transaction costs directly attributable to the arrangement of the debt and assumptions regarding changes in floating interest rates.

Debt owed to credit institutions consists of a €5,500,000 loan granted to Aspin Management on 30 June 2016 by a banking syndicate consisting of Banque Palatine, BRED Banque Populaire and Société Générale. The purpose of that loan was to fund the repurchase of 5,117,257 class A preferred shares as part of a reduction in Aspin Management's share capital, and to cover the related fees.

The terms of the loan are as follows:

- Principal amount of €5,500,000, repayable in regular instalments, with a final maturity date of 30 June 2022.
- Interest due every quarter and calculated using a rate that is the sum of the following two figures:
  - The Euribor rate for the interest period in question;
  - A annually adjustable margin based on the leverage ratio (consolidated net debt / consolidated EBITDA), ranging between 2.0% and 2.5%.

Arrangement fees are charged against the nominal amount of the loan and measured according to the effective interest rate method.

The loan agreement was renegotiated in 2019 (see "Liquidity risk" section in Note 8.1).

<u>Unused factoring facilities</u>
In 2012, Alchimie SASU signed a factoring agreement, which remains in force and whose main characteristics are as follows: funding limit of €6,000,000 and a factor rate of 3-month Euribor +0.7%. The agreement was unused at 31 December 2019.

5.16 Employee benefits

Accounting policies

Short-term benefits and defined-contribution post-employment benefit plans

The Group recognises short-term benefits, along with contributions payable under general and mandatory retirement benefit plans, under “Personnel expenses”. Since it has no obligations over and above these contributions, the Group does not set aside any provisions in relation to those plans.

Defined-benefit post-employment benefit plans

Retirement benefit plans, similar benefits and other employment benefits that are designated as defined-benefit (in which the Company guarantees a defined amount or level of benefit) are recognised on the balance sheet on the basis of an actuarial valuation of the obligations at the balance-sheet date.

That valuation uses the projected unit credit method, taking into account staff turnover and mortality probabilities. Any actuarial gains and losses are taken to equity under “Other comprehensive income”.

Use of estimates and judgement

Benefit obligations and plan assets may be highly volatile, due in particular to changes in market values and actuarial assumptions. Assumptions vary between pension plans and take into account local conditions. They are determined after a formal process that makes use of the Group’s in-house expertise and judgement, in financial and actuarial terms, and in consultation with actuaries and independent experts.

Each plan’s assumptions are reviewed annually and adjusted as necessary to take into account changes based on experience and actuarial advice.

Obligations to staff members consist of provisions for lump sums paid on retirement, measured on the basis of the applicable collective agreement: for the Company’s employees, this is the national collective agreement for engineers and metalworkers (CCN 650 for managerial employees and CCN 054 for non-managerial employees).

These obligations only concern employees covered by French law. There are no obligations to employees in Germany, the UK or Spain. A sensitivity analysis shows that a 50-basis-point change in the discount rate would result in a maximum change in the balance-sheet amount of less than €85 thousand. The main actuarial assumptions used to measure post-employment benefits are as follows:

ACTUARIAL ASSUMPTIONS	01/01/2018	31/12/2018	31/12/2019
Discount rate	1.65%	1.80%	0.95%
Employer contribution rate		46%	
Age at start of career:		- Managers: 23 years - Non-managers: 21 years	
Age at retirement		Age at which employees become fully retired, based on their year of birth and the above assumptions regarding their age at the start of their career	
Mortality rates		TH-TF 00-02 deferred	
Staff turnover rate		Decreasing by age, falling to zero at 55 years (see below)	
Rate of salary increase		2.00%	

The staff turnover rate is based on the average rate seen in previous years. Staff turnover rates decrease with age, falling to zero from 55 years onwards.

The rates used can be summarised as follows:

- Less than 34 years: 23.30%
- 35-44 years: falling from 12.90% to 8.80%
- 45-54 years: falling from 4% to 1.70%
- 55 years and above: zero

Obligations to staff members have changed as follows since 1 January 2018:

OBLIGATIONS TO STAFF MEMBERS **In thousands of euros**	**Retirement benefit obligations**
01/01/2018	**368**
Service cost	42
Financial cost	6
Curtailment	- 103
Actuarial gains and losses under OCI	- 6
31/12/2018	**308**
Past service cost	35
Financial cost	5
Curtailment	- 63
Actuarial gains and losses under OCI	37
31/12/2019	**322**

5.17 Trade payables

Trade payables amounted to €6,788 thousand at 31 December 2019 and break down as follows:

TRADE PAYABLES **In thousands of euros**	**31/12/2019**	**31/12/2018**	**01/01/2018**
Trade payables	2,416	3,108	3,689
Invoices not received	4,372	4,527	3,202
Total trade payables	**6,788**	**7,634**	**6,891**

Invoices not received break down as follows:

INVOICES NOT RECEIVED **In thousands of euros**	**31/12/2019**	**31/12/2018**	**01/01/2018**
Marketing	521	682	764
Provisions for rental charges	157	157	153
Copyright	995	495	55
Operator commissions	711	1,013	990
External advisors	165	287	127
Content costs	782	344	191
Other	1,041	1,550	923
Total invoices not received	**4,372**	**4,527**	**3,202**

Other invoices not received mainly relate to IT services, sub-contractors and revenue-sharing.

Trade payables are not discounted, since no amounts were due in more than one year at 31 December 2019.

5.18 Other current liabilities and tax and employment-related liabilities

Other current liabilities amounted to €271 thousand at 31 December 2019 as opposed to €357 thousand at 31 December 2018 and €868 thousand at 1 January 2018. The following table shows how they have changed over time and how they break down:

OTHER CURRENT LIABILITIES **In thousands of euros**	**31/12/2019**	**31/12/2018**	**01/01/2018**
Advances and payments on account received from customers	146	319	0
Invoices not yet raised	0	0	368
Liabilities relating to asset acquisitions	30	37	500
Prepaid income	92	0	0
Other	3	0	0
Total	**271**	**357**	**868**

Tax and employment-related liabilities amounted to €2,518 thousand at 31 December 2019, €3,281 thousand at 31 December 2018 and €3,475 thousand at 1 January 2018. Changes in the last two financial years have been as follows:

TAX AND EMPLOYMENT-RELATED LIABILITIES **In thousands of euros**	**31/12/2019**	**31/12/2018**	**01/01/2018**
VAT	1,147	1,628	1,883
Social security liabilities	1,288	1,577	1,549
Shares held by managers	52	47	42
Other	31	29	0
Total	**2,518**	**3,281**	**3,475**

5.19 Fair value of financial instruments

Accounting policies

The fair value of trade receivables and trade payables is similar to their carrying amount on the balance sheet, given their very short payment times. The same is true of other current receivables and liabilities.

Financial liabilities fall into two categories:

- borrowings at amortised cost;
- financial liabilities recognised at fair value through profit or loss.

Financial liabilities recognised at amortised cost

Borrowings and other financial liabilities are recognised at amortised cost using the effective interest rate method. The portion of financial liabilities due in less than one year is shown under "current financial liabilities".

Fair value hierarchy

IFRS 13 "Fair value measurement" establishes a hierarchy of fair value, with three levels:

- Level 1: fair value based on quoted prices in active markets for identical instruments (without modification or repackaging).
- Level 2: fair value based on quoted prices for similar assets or liabilities in active markets and on valuation techniques for which all important inputs are based on observable market data.
- Level 3: fair value based on valuation techniques for which not all important inputs are based on observable market data.

The Group's assets and liabilities are measured as follows for each year based on the measurement categories defined by IFRS 9. All values are level 3.

In thousands of euros	31/12/2019		Value - statement of financial position according to IFRS 9		
Balance-sheet items	Value on the statement of financial position	Fair value	Fair value through profit or loss	Loans and receivables	Liabilities at amortised cost
Non-current tax receivables	137	137	0	137	0
Other non-current financial assets	93	93	0	93	0
Trade and other receivables	6,932	6,932	0	6,932	0
Current tax and employment-related receivables	1,689	1,689	0	1,689	0
Other current assets	760	760	0	760	0
Cash and cash equivalents	4,194	4,194	4,194	0	0
Total asset items	**13,806**	**13,806**	**4,194**	**9,612**	**0**
Non-current financial liabilities	0	0	0	0	0
Non-current lease liabilities	4,063	4,063	0	0	4,063
Other non-current liabilities	0	0	0	0	0
Current financial liabilities	2,738	2,738	0	0	2,738
Current lease liabilities	346	346	0	0	346
Trade payables	6,788	6,788	0	0	6,788
Current tax and employment-related liabilities	2,518	2,518	0	0	2,518
Other current liabilities	271	271	0	0	271
Total liability items	**16,724**	**16,724**	**0**	**0**	**16,724**

In thousands of euros	31/12/2018		Value - statement of financial position according to IFRS 9		
Balance-sheet items	Value on the statement of financial position	Fair value	Fair value through profit or loss	Loans and receivables	Liabilities at amortised cost
Non-current tax receivables	0	0	0	0	0
Other non-current financial assets	97	97	0	97	0
Trade and other receivables	8,270	8,270	0	8,270	0
Current tax and employment-related receivables	1,845	1,845	0	1,845	0
Other current assets	670	670	0	670	0
Cash and cash equivalents	3,978	3,978	3,978	0	0
Total asset items	**14,860**	**14,860**	**3,978**	**10,882**	**0**
Non-current financial liabilities	2,720	2,720	0	0	2,720
Non-current lease liabilities	4,018	4,018	0	0	4,018
Other non-current liabilities	0	0	0	0	0
Current financial liabilities	1,026	1,026	0	0	1,026
Current lease liabilities	447	447	0	0	447
Trade payables	7,634	7,634	0	0	7,634
Current tax and employment-related liabilities	3,281	3,281	0	0	3,281
Other current liabilities	357	357	0	0	357
Total liability items	**19,483**	**19,483**	**0**	**0**	**19,483**

In thousands of euros	01/01/2018		Value - statement of financial position according to IFRS 9		
Balance-sheet items	Value on the statement of financial position	Fair value	Fair value through profit or loss	Loans and receivables	Liabilities at amortised cost
Non-current tax receivables	543	543	0	543	0
Other non-current financial assets	20	20	0	20	0
Trade and other receivables	7,621	7,621	0	7,621	0
Current tax and employment-related receivables	1,452	1,452	0	1,452	0
Other current assets	3,245	3,245	0	3,245	0
Cash and cash equivalents	4,826	4,826	4,826	0	0
Total asset items	**17,706**	**17,706**	**4,826**	**12,880**	**0**
Non-current financial liabilities	3,615	3,615	0	0	3,615
Non-current lease liabilities	4,465	4,465	0	0	4,465
Other non-current liabilities	0	0	0	0	0
Current financial liabilities	892	892	0	0	892
Current lease liabilities	135	135	0	0	135
Trade payables	6,891	6,891	0	0	6,891
Current tax and employment-related liabilities	3,475	3,475	0	0	3,475
Other current liabilities	868	868	0	0	868
Total liability items	**20,341**	**20,341**	**0**	**0**	**20,341**

NOTE 6 INFORMATION ON THE INCOME STATEMENT

6.1 Revenue

Accounting policies

The Group applies IFRS 15 when recognising revenue.

The Group identifies the various services it offers and determines whether they are distinct within the customer contract. Where one or more performance obligations are identified, the Group apportions the transaction price between them, taking into account any variable consideration.

For each performance obligation, the Group also assesses whether it controls the good or service before it is transferred to the end-customer. If the Group has control, it acts as principal and recognises the gross proceeds from the service. Otherwise, the Group acts as agent and recognises the net proceeds.

The Group’s revenue is mainly generated by subscriptions from the Video segment and partly from the Legacy segment. Subscriptions are recognised on the basis of the ex-VAT price paid by the end-customer where Alchimie is regarded as the publisher of the service (principal) and recognised net of distribution commissions where Alchimie Group is regarded only as a content provider (agent).

Some revenue, coming from the Legacy segment, is generated by the provision of professional services. With respect to those services, the Group mainly acts as an agent and recognises the price of services net of distribution commissions.

The breakdown of revenue between the Group’s various businesses and geographical zones is presented in Note 4.

6.2 Details of income and expenses by function

This section provides details of income and expenses by function.

The “Personnel costs” item consists of wages, external professional fees and expense claims. Personnel costs related to the “Technology and development” function are reduced when development costs are capitalised.

6.2.1 Cost of sales

COST OF SALES In thousands of euros	2019	2018
Operator commissions	-7,568	-10,273
Licensing costs	-3,372	-2,127
Personnel costs	-1,143	-1,306
Other	-1,205	-1,337
TOTAL	**-13,288**	**-15,043**

6.3 Technological and development costs

Technological and development costs In thousands of euros	2019	2018
Personnel costs	-3,172	-3,542
Other	- 248	154
TOTAL	**-3,420**	**-3,388**

6.4 Sales and marketing costs

Sales and marketing costs In thousands of euros	2019	2018
Advertising and communication costs	-11,426	-14,034
Personnel costs	-2,634	-2,724
TOTAL	**-14,060**	**-16,758**

6.5 General and administrative expenses

General and administrative expenses In thousands of euros	2019	2018
Personnel costs	-1,374	-1,561
Miscellaneous professional and consulting fees	- 685	- 856
IT and telecoms infrastructure	- 742	- 849
Management fees	- 486	- 445
Amortisation of right-of-use assets	- 548	- 441
Taxes	- 203	- 225
Other	- 430	- 593
TOTAL	**-4,468**	**-4,969**

6.6 Workforce and payroll

The Group’s average workforce at the end of each accounting period presented broke down as follows:

AVERAGE NUMBER OF EMPLOYEES	31/12/2019	31/12/2018
Managers	76	86
Non-managers	10	9
Total	**86**	**95**

Payroll costs in 2018 and 2019 were as follows:

PAYROLL COSTS In thousands of euros	2019	2018
Wages and salaries	-5,378	-6,141
Social security costs	-1,975	-2,319
Other expenses	- 107	- 182
Payroll costs	**-7,460**	**-8,642**

6.7 Net financial income/expense

Net financial income/expense comprises the cost of debt, interest relating to lease liabilities, income from financial investments and foreign exchange gains, whether realised or not. It broke down as follows in 2018 and 2019:

FINANCIAL INCOME AND EXPENSE In thousands of euros	2019	2018
Net cost of debt	**- 187**	**- 216**
Interest expense	- 187	- 216
Other financial income and expense	**- 13**	**- 95**
Foreign exchange gain/loss	- 13	- 95
Net financial income/expense	**- 200**	**- 311**

6.8 Income tax

Accounting policies

Income tax equals total tax payable by the Group's various companies, adjusted for deferred tax. Tax is recognised in the income statement, except if it relates to items recognised in other comprehensive income or directly in equity. For such items, tax is also recognised in other comprehensive income or in equity.
Deferred tax is measured using the balance-sheet approach as the amount the entity expects to pay to or recover from the tax authorities. The resulting deferred tax may be influenced by changes in tax rates enacted or substantively enacted at the closing date of the financial statements.

A deferred tax asset is recognised if the following criteria are met:

- The entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity or the same tax group, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire;
- It is likely that the entity will generate taxable profits before the unused tax losses or tax credits expire;
- Unused tax losses result from identifiable causes which are unlikely to recur;
- Tax planning opportunities are available to the enterprise that will create taxable profit during the period in which the unused tax losses or unused tax credits can be utilised.

The applicable tax rates for the Group's various companies are:

- 28% in 2019 for subsidiaries based in France (versus 33% in 2018)
- 31.23% in 2018 and 2019 for subsidiaries based in Germany
- 21% in 2018 and 2019 for subsidiaries based in the UK

Reconciliation between theoretical tax and actual tax:

TAX RECONCILIATION **In thousands of euros**	**2019**	**2018**
Income before tax	**-1,051**	**-1,739**
Ordinary tax rate - Consolidating company	28%	33%
Theoretical tax expense	**294**	**574**
Differences in tax rates	- 9	- 4
Specific tax differences	0	225
Permanent and temporary differences	- 124	- 333
Actual and deferred tax benefit (expense)	**161**	**461**

Deferred tax by nature:

DEFERRED TAX **In thousands of euros**	**31/12/2019**	**31/12/2018**	**01/01/2018**
Temporary differences	308	257	178
Total deferred tax assets	**308**	**257**	**178**
Temporary differences	2	3	5
Total deferred tax assets	**2**	**3**	**5**
Total deferred tax items by nature	**310**	**260**	**183**

Tax losses that can be carried forward indefinitely were not used in the periods presented and amounted to €422 thousand at 31 December 2019 and €454 thousand at 31 December 2018. They relate to Alchimie SASU, Alchimie UK and Cellfish GmbH.

6.9 Earnings per share

Under IAS 33 "Earnings per share", basic earnings per share are calculated by dividing income attributable to holders of the Group's shares by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share are calculated by adjusting income attributable to holders of ordinary shares and the weighted average number of ordinary shares in issue for the effects of all dilutive potential ordinary shares.

To calculate diluted earnings per share, preferred shares were not taken into account because they can only be converted into ordinary shares in the event of an IPO; the conversion ratio would be based on the IPO price, which could not be determined on the date the financial statements were approved. As a result, basic and diluted earnings per share are the same.

BASIC EARNINGS PER SHARE	31/12/2019	31/12/2018
Net income for the year (in thousands of euros)	- 890	-1,277
Weighted average number of shares in issue	511,820	495,000
Basic earnings per share (in euros)	**-1.74**	**-2.58**

NOTE 7 OFF-BALANCE SHEET COMMITMENTS

When finalising the annual financial statements, Management took the view that, to the best of its knowledge, there were no commitments capable of materially affecting the Group's current or future financial position, other than those mentioned in this note. Off-balance sheet commitments are recognised on the basis of contractual undertakings made according to the relevant procedure. Each contract is validated by the Legal Department, Finance Department and Executive Management.

Commitments given

COMMITMENTS GIVEN In thousands of euros	**31/12/2019**	**31/12/2018**
Assets provided as collateral		
Security interests and bank guarantees given	5,500	5,500
Security relating to leased properties	114	114
TOTAL	**5,614**	**5,614**

Security interests and bank guarantees given concern the pledge of 12,000 shares in Alchimie SASU (formerly Cellfish) with respect to the €1,000,000 first-demand guarantee.

Commitments received

The Group did not have any commitments received at 1 January 2018, 31 December 2018 or 31 December 2019.

NOTE 8 OTHER INFORMATION

8.1 Management and assessment of financial risks

Aspin Management may be exposed to various types of financial risk, i.e. market risk, credit risk and liquidity risk. As the case may be, Aspin Management uses methods that are simple and appropriate to its scale to minimise the potentially adverse effects of those risks on its financial performance. Aspin Management's policy is not to deal in financial instruments for the purpose of speculation.

8.2 Interest-rate risk

The Group is exposed to interest-rate risk, particularly through its floating-rate loan from a banking syndicate (see Note 5.15). However, the interest-rate risk is limited by the fact that Euribor is currently negative and the margin can only vary by 0.5 percentage points at most.

8.3 Credit and counterparty risk

Credit risk is the risk that the Group will sustain a financial loss if a customer or counterparty to a financial instrument were to breach its contractual obligations.

The Group is exposed to credit risk in the event of default by its customers and to counterparty risk in respect of its cash investments (mainly credit balances held with banks and term deposits) and financial guarantees it has given. The Group is not exposed to any material credit risk, which relates mainly to trade receivables. The net carrying amount of receivables reflects the fair value of future net inflows estimated by Management, based on information available at the closing date.

Trade receivables:

The Group's trade receivables mainly relate to telecoms operators, which are in charge of collecting payments from end-customers on behalf of Group companies. Although these receivables are concentrated among a small number of companies, the Group does not see a material risk of non-recovery because of the financial solidity of those operators.

The breakdown of trade receivables by due date at 31 December 2019 is presented in Note 5.6.

8.4 Exchange-rate risk

The Group is exposed to fluctuations in exchange rates in its commercial and financial transactions that take place in a currency other than the functional currency of the Group entity that records them. Exchange-rate risk only exists during the time taken for customers to pay their invoices (60 days on average), and mainly concerns the UK business.

In 2019, 89% of consolidated revenue was invoiced in euros and 11% in sterling. In 2018, 87% of consolidated revenue was invoiced in euros and 10% in sterling.

8.5 Liquidity risk

Net cash amounted to €4,194 thousand at 31 December 2019 (see Note 5.9). Having assessed its status, the Group takes the view that it is a going concern (see Note 2.1). The Company has carried out a specific review of its liquidity risk and takes the view that, as of 31 December 2019, it is able to meet its future payment obligations in the next 12 months.

Covenants

As regards senior debt, in May 2019 the Company anticipated that it would breach one of its covenants at the end of December 2019. As a result, it negotiated a supplementary agreement with its banks, including a waiver of two of the three restrictive covenants (regarding the leverage ratio and cash flow cover ratio) with respect to the test period ending 31 December 2019.

In return, the banks requested the addition of other covenants/events of default:

- An issue of convertible bonds should take place before 31 December 2019
- A capital increase subscribed by HLD should take place before 31 December 2019
- Consolidated net cash should amount to more than €1 million on the last day of each quarter

In accordance with IFRS 9, the changes to the covenants do not constitute substantial modifications to the contract (short-term modification) and do not involve extinguishing any debt.

At 31 December 2019, the Company breached one of the covenants added as a result of the renegotiation (because it had not issued any convertible bonds by end-December 2019) but obtained a subsequent waiver on 24 January 2020.

As a result, all senior debt is presented as current liabilities at 31 December 2019.

8.6 Contingent liabilities

Accounting policies

Contingent liabilities are defined by IAS 37 “Provisions, contingent liabilities and contingent assets” as:

- Either potential obligations arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company;
- or present obligations that arise from past events but that are not recognised because (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability.

No contingent liabilities were identified at 31 December 2018 or 31 December 2019.

8.7 Related parties

Accounting policies

According to IAS 24 “Related party disclosures”, a related party is a natural or legal person that is related to the entity presenting its financial statements. They may include any of the following:

- a person or company with control over the Group;
- an associate of the Group;
- an important member of the Company’s management team (or a member of his/her family).

A related-party transaction involves a transfer of goods, services or obligations between the Group and the related party.

The related parties identified at 31/12/2019 and 31/12/2018 were as follows:

- The Group’s subsidiaries (see Note 3.2)
- HLD Europe, the majority shareholder of Aspin Management
- The Company’s managers, i.e. the Chairman of Aspin Management and the members of the Supervisory Committee

8.7.1 Related-party transactions

A remuneration agreement exists between Aspin Management and Alchimie SASU. Amounts invoiced between these two entities are eliminated at group level.

Transactions with Group subsidiaries take place on an arm's-length basis, i.e. on terms comparable to those that would usually exist between independent parties. Transactions with Group subsidiaries take place on an arm's-length basis, i.e. on terms comparable to those that would usually exist between independent parties.

Transactions with Group subsidiaries take place on an arm's-length basis, i.e. on terms comparable to those that would usually exist between independent parties.
The Group does not have any transactions with HLD Europe within the meaning of IAS 24.

8.7.2 Executive remuneration

The Group's executives are its Chairman and the members of the Supervisory Committee. Executive remuneration amounted to €548 thousand in 2018 and €519 thousand in 2019.

Executive remuneration **In thousands of euros**	**2019**	**2018**
Fixed remuneration	365	365
Variable remuneration	125	160
Post-employment benefits	6	6
Share-based payments	5	5
Benefits in kind	18	12
Total	**519**	**548**

5.2 Interim and other financial information

Aspin Management's unaudited condensed interim consolidated financial statements for the six-month period ended 30 June 2020

Consolidated statement of financial position

In thousands of euros	Notes	30/06/2020	31/12/2019
ASSETS			
Goodwill	5.1	2,862	2,862
Intangible assets	5.2	2,027	1,888
Property, plant and equipment	5.3	337	378
Right-of-use assets	5.4	3,788	4,059
Deferred tax assets	6.5	187	306
Non-current tax receivables	5.8	0	137
Other non-current financial assets	5.5	94	93
Total non-current assets		**9,294**	**9,723**
Trade and other receivables	5.6	6,997	6,932
Current tax and employment-related receivables	5.8	1,534	1,689
Other current assets	5.7	857	760
Cash and cash equivalents	5.9	4,125	4,194
Total current assets		**13,512**	**13,576**
Total assets		**22,806**	**23,299**
EQUITY AND LIABILITIES			
Share capital	5.10	3,241	3,241
Share premiums		2,435	2,435
Reserves attributable to equity holders of the parent		357	1,174
Net income attributable to equity holders of the parent		-3,229	- 892
Other comprehensive income		- 23	- 23
Equity attributable to equity holders of the parent		**2,783**	**5,935**
Reserves attributable to non-controlling interests		3	0
Net income attributable to non-controlling interests		4	3
Total consolidated equity		**2,790**	**5,938**
Employee benefits	5.15	340	322
Non-current financial liabilities	5.12	3,910	0
Non-current lease liabilities	5.4	3,783	4,063
Deferred tax liabilities	6.5	0	0
Provisions	5.11	130	315
Non-current liabilities		**8,163**	**4,700**
Current financial liabilities	5.12	987	2,738
Current lease liabilities	5.4	572	346
Trade payables	5.16	7,422	6,788
Current tax and employment-related liabilities	5.17	2,609	2,518
Other current liabilities	5.17	263	271
Current liabilities		**11,853**	**12,661**
Total equity and liabilities		**22,806**	**23,299**

Consolidated income statement

In thousands of euros	Notes	First half 2020	First half 2019
Revenue	6.1	16,900	16,331
Cost of sales	6.2	-7,442	-6,095
Gross profit		**9,458**	**10,236**
Technological and development costs	6.2	-2,009	-1,645
Sales and marketing costs	6.2	-7,435	-7,562
General and administrative expenses	6.2	-2,639	-2,190
Operating income		**-2,626**	**-1,162**
Net cost of debt	6.4	- 150	- 106
Other financial income and expense	6.4	- 33	- 6
Net financial income/expense		**- 183**	**- 112**
Income before tax		**-2,809**	**-1,274**
Current tax benefit (expense)	6.5	- 252	- 2
Deferred tax benefit (expense)	6.5	- 163	13
Consolidated net income		**-3,224**	**-1,263**
Net income attributable to equity holders of the parent		*-3,229*	*-1,265*
In thousands of euros			
Basic earnings per share		-5.76	-2.55
Diluted earnings per share		-5.76	-2.55

Statement of comprehensive income

In thousands of euros	First half 2020	First half 2019
Net income	**-3,224**	**-1,263**
Exchange differences		
Items that may be recycled to profit or loss	**0**	**0**
Actuarial gains and losses on retirement benefit obligations net of deferred tax		- 13
Items that may not be recycled to profit or loss	**0**	**- 13**
Comprehensive income for the period	**-3,224**	**-1,276**
Comprehensive income attributable to equity holders of the parent	*-3,229*	*-1,279*

Consolidated statement of changes in equity

In thousands of euros, except for the number of shares	Share capital		Share premiums	Net income	Reserves	Actuarial gains and losses	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Shares	In thousands of euros							
1 January 2019	**2,708,743**	**2,676**	**0**	**0**	**1,158**	**4**	**3,838**	**0**	**3,838**
2019 net income				- 892			- 892	3	- 890
Other comprehensive income						- 27	- 27		- 27
Comprehensive income for the period				**- 892**	**0**	**- 27**	**- 919**	**3**	**- 916**
Transactions affecting the share capital	**564,625**	**565**	**2,435**				**3,000**		**3,000**
Other					38		**38**		**38**
Change in treasury shares					**- 23**		**- 23**		**- 23**
31 December 2019	**3,273,368**	**3,241**	**2,435**	**- 892**	**1,174**	**- 23**	**5,935**	**3**	**5,938**
1 January 2020	**3,273,368**	**3,241**	**2,435**	**0**	**282**	**- 23**	**5,935**	**3**	**5,938**
Net income in the first half of 2020				-3,229			-3,229	4	-3,224
Other comprehensive income							0		0
Comprehensive income for the period	**0**	**0**	**0**	**-3,229**	**0**	**0**	**-3,229**	**4**	**-3,224**
Transactions affecting the share capital							**0**		**0**
Other					76		**76**	**0**	**76**
Change in treasury shares							**0**		**0**
30 June 2020	**3,273,368**	**3,241**	**2,435**	**-3,229**	**357**	**- 23**	**2,783**	**7**	**2,790**

Change in the first half of 2019

In thousands of euros, except for the number of shares	Share capital		Share premiums	Net income	Reserves	Actuarial gains and losses	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Shares	In thousands of euros							
1 January 2019	**2,708,743**	**2,676**	**0**	**0**	**1,158**	**4**	**3,838**	**0**	**3,838**
Net income in the first half of 2019				-1,265			-1,265	1	-1,264
Other comprehensive income						- 13	- 13		- 13
Comprehensive income for the period				**-1,265**	**0**	**- 13**	**-1,279**	**1**	**-1,277**
Transactions affecting the share capital							**0**		**0**
Change in treasury shares					**- 22**		**- 22**		**- 22**
30 June 2019	**2,708,743**	**2,676**	**0**	**-1,265**	**1,136**	**- 9**	**2,538**	**1**	**2,539**

Consolidated cash flow statement

In thousands of euros	Notes	First half 2020	First half 2019
Total net income of consolidated companies		-3,224	-1,263
Depreciation, amortisation and provisions		727	463
Impact of changes in deferred taxes		139	- 13
Other non-cash income and expenses		0	5
Interest expense		150	106
Total funds from operations		**-2,208**	**- 702**
Change in trade receivables arising from operating activities		91	1,395
Change in trade payables arising from operating activities		918	3
Net cash generated by (used in) operating activities		**-1,199**	**696**
Purchases of non-current assets		- 750	- 497
Change in receivables and payables relating to non-current assets		0	- 36
Net cash generated by (used in) investing activities		**- 750**	**- 533**
New borrowings		3,080	0
Debt repayments		- 934	24
Repayment of lease liabilities		- 56	- 265
Interest paid		- 140	- 93
Net sales (purchases) of own shares		- 41	0
Net change in bank facilities		3	-132
Net cash generated by (used in) financing activities		**1,912**	**- 466**
Impact of changes in exchange rates and accounting policies		- 32	0
Change in cash		**- 69**	**- 303**
Cash position at start of period		4,076	3,978
Cash position at end of period		4,007	3,675

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NOTE 7 - OFF-BALANCE SHEET COMMITMENTS

NOTE 8 - OTHER INFORMATION

8.1 Related parties

NOTE 1 - PRESENTATION OF THE BUSINESS AND IMPORTANT EVENTS

1.1 Information about the Company and its business

Aspin Management (the "Company" or "Aspin Management") is a company incorporated under French law, and was formed as a simplified joint-stock corporation in June 2014. The consolidated group (the "Group") comprises the parent company Aspin Management SAS and the subsidiaries Alchimie SASU, Alchimie UK Ltd and Elixir SAS. The condensed financial statements presented cover a six-month period from 1 January 2020 to 30 June 2020. Aspin Management is a holding company that holds stakes in companies providing subscription-based distribution services to video content producers. Alchimie publishes and co-publishes over-the-top theme television channels.

The Company's registered office is located at 43/45 avenue Victor Hugo, Bâtiment 264, 93534 Aubervilliers, France.

It is registered with the Bobigny trade and companies register under number 803 179 696.

1.2 Context of the publication

On 23 October 2020, the Chairman finalised Aspin Management's condensed consolidated financial statements for the six-month periods ended 30 June 2020 and 30 June 2019

These condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim financial reporting", part of the IFRSs (International Financial Reporting Standards) adopted by IASB at 30 June 2020.

Those standards, available on the IASB website Commission's web site (https://www.ifrs.org/issued-standards/list-of-standards/), consist of international accounting standards (IASs and IFRSs) and interpretations by the International Financial Reporting Interpretations Committee (IFRIC).

The general principles, accounting policies and options selected by the Group are described below.

1.3 Key events in the six-month period ended 30 June 2020

Covid-19

The global pandemic that arose in the first quarter of 2020 has shown our Company's ability to conduct our business regardless of location and to engage digitally with our customers and partners. The Video business also saw growth during the period. Although not all of the Group's business was unaffected by the crisis, our business model and financial strength are enabling us to continue investing in our strategic priorities for the future.

Convertible bond issue

On 28 April 2020, pursuant to a resolution adopted by shareholders in a general meeting, the Company issued convertible bonds in the amount of €3,000,000. The issue was fully subscribed by HLD Europe SCA. The bonds may be repaid in cash or converted into a number of shares that may vary according to the existing number of shares and the remaining due balance of the bonds on the conversion date.

1.4 Post-balance sheet events

Acquisition of non-controlling interests in Elixir

On 28 August 2020, the Company acquired the 49.9% stake in Elixir SAS owned by Antoine Robin for a non-material amount, taking its ownership of that company's capital and voting rights to 100%.

NOTE 2 - GENERAL PRINCIPLES

The financial statements are presented in thousands of euros unless otherwise stated. Figures are rounded for certain financial calculations and for other information contained in these financial statements. As a result, the totals appearing in some tables may not exactly equal the sum of the figures that precede them.

2.1 Preparation of the Group's IFRS consolidated financial statements

Basis of preparation

The condensed interim financial statements have been prepared in accordance with IAS 34 "Interim financial reporting" as endorsed by the European Union, which allows companies to present a selection of explanatory notes. The interim financial statements do not contain all of the information and notes provided in the full-year financial statements. As a result, they should be read jointly with the Group's IFRS financial statements for the year ended 31 December 2019, subject to aspects that are specific to the preparation of interim financial statements, which are described below. The Group's financial statements were prepared on a historical cost basis, except for certain categories of assets and liabilities in accordance with IFRSs. The categories concerned are mentioned in the notes below.

Going concern

On the date on which the financial statements were finalised, the Group specifically reviewed its liquidity risk. The funding of expenditures that are vital to implement the Group's growth strategy in the SVoD field make it necessary to carry out the intended capital increase via the Company's IPO on Euronext Growth Paris by the end of 2020.

If market conditions prevented the capital-raising planned as part of the IPO from being successful, the Group would be able to review its growth strategy by limiting the expansion of its business internationally, by negotiating and adjusting some of its commitments, by slowing the rate at which it launches SVoD channels, by significantly reducing advertising expenditure (therefore affecting the number of new subscribers recruited), by using currently unused authorised factoring facilities and/or by adjusting its workforce, without being exposed to liquidity risk in the next 12 months. In light of the foregoing, the financial statements were prepared according to the going concern principle.

Accounting policies

The condensed consolidated financial statements for the six-month period ended 30 June 2020 were prepared by applying the same accounting policies and methods as those applied by the Group for the year ended 31 December 2019.

2.2 Use of judgement and estimates

The condensed consolidated financial statements for the six-month period ended 30 June 2020 were prepared by using the same judgement and estimates as those used by the Group for the year ended 31 December 2019.

NOTE 3 – SCOPE OF CONSOLIDATION

Aspin Management has sole control over all subsidiaries.

At 31 December 2019 and 30 June 2020, the Group consisted of the following fully consolidated entities:

Name	Country	30/06/2020			31/12/2019		
		% control	% interest	Consolidation method	% control	% interest	Consolidation method
PARENT COMPANY							
Aspin Management SAS	France	-	-	-	-	-	-
SCOPE OF CONSOLIDATION							
Alchimie SASU	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Elixir SAS	France	50.10%	50.10%	Full consolidation	50.10%	50.10%	Full consolidation
Alchimie UK Ltd	UK	100%	100%	Full consolidation	100.00%	100.00%	Full consolidation
Alchimie Rights SASU	France	100%	100%	Full consolidation	100.00%	100.00%	Full consolidation
Cellfish GmbH	Germany	100%	100%	Full consolidation	100%	100%	Full consolidation

NOTE 4 - SEGMENT REPORTING

The Group's two operating segments are the "Video" and "Legacy" segments.

The Group uses the following indicators as the main indicators of its operational performance:

	First half 2020			First half 2019		
In thousands of euros	**VIDEO**	**LEGACY**	**TOTAL**	**VIDEO**	**LEGACY**	**TOTAL**
Revenue	11,625	5,275	16,900	7,498	8,833	16,331
Cost of sales	-6,024	-1,418	-7,442	-3,361	-2,734	-6,095
Gross profit	**5,601**	**3,857**	**9,458**	**4,137**	**6,099**	**10,236**
Technological and development costs	-1,822	- 187	-2,009	-1,025	- 620	-1,645
Sales and marketing costs	-7,393	- 43	-7,435	-6,032	-1,531	-7,562
General and administrative expenses	-2,363	- 277	-2,639	-1,388	- 802	-2,190
Operating income	**-5,977**	**3,351**	**-2,625**	**-4,309**	**3,147**	**-1,162**

Revenue by geographical zone **In thousands of euros**	**First half 2020**	**First half 2019**
France	6,910	7,903
Germany	6,273	6,558
UK	1,852	1,532
Spain	1,109	21
Austria	580	81
Other	176	237
Total	**16,900**	**16,331**

In the first halves of 2019 and 2020, no customer accounted for more than 10% of the Group's consolidated revenue.

NOTE 5 - DETAILS REGARDING THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

5.1 Goodwill and impairment testing

In October 2015, Aspin Management acquired all shares in Cellfish (now known as "Alchimie"). The goodwill related to that acquisition, measured on the basis of Cellfish's consolidated financial statements on 15 October 2015, was €3,492 thousand.

Changes in goodwill since 31 December 2019 have been as follows:

GOODWILL **In thousands of euros**	Gross amount	Impairment	Net amount
31 December 2019	**2,862**	**0**	**2,862**
Increases	0	0	0
Decreases	0	0	0
30 June 2020	**2,862**	**0**	**2,862**

5.2 Intangible assets

The table below illustrates movements during the two periods presented:

INTANGIBLE ASSETS **In thousands of euros**	Trademarks	Software	Advances and downpayments on intangible assets	Total
GROSS AMOUNT				
31/12/2019	**365**	**1,272**	**616**	**2,253**
Acquisition	0	0	690	690
Disposals and retirements	0	0	0	0
Change in scope	0	0	0	0
Reclassification	0	0	0	0
30/06/2020	**365**	**1,272**	**1,306**	**2,943**
AMORTISATION				
31/12/2019	**0**	**- 365**	**0**	**- 365**
Additions	- 363	- 188	0	- 551
Disposals and retirements	0	0	0	0
Change in scope	0	0	0	0
Reclassification	0	0	0	0
30/06/2020	**- 363**	**- 553**	**0**	**- 917**
31/12/2019	**365**	**907**	**616**	**1,888**
30/06/2020	**2**	**719**	**1,306**	**2,027**

During the period presented, the Group did not identify any evidence of any decrease in the value of the Group's CGUs' various assets, and did not carry out any impairment tests.

5.3 Property, plant and equipment

The table below illustrates movements during the period:

PROPERTY, PLANT AND EQUIPMENT In thousands of euros	Office equipment and computer hardware	Vehicles	Other property, plant and equipment	Total
GROSS AMOUNT				
31/12/2019	**668**	**20**	**339**	**1,027**
Acquisition	29			29
Disposals and retirements				0
Change in scope				0
30/06/2020	**697**	**20**	**339**	**1,057**
DEPRECIATION				
31/12/2019	**- 540**	**- 7**	**- 102**	**- 649**
Additions	- 47	- 2	- 21	- 70
Disposals and retirements				0
Change in scope				0
30/06/2020	**- 587**	**- 9**	**- 123**	**- 719**
NET CARRYING AMOUNTS				
31/12/2019	**128**	**13**	**238**	**378**
30/06/2020	**110**	**11**	**217**	**337**

For the periods presented, the Group did not identify any evidence of any loss of value in the Group's CGUs, and did not carry out any impairment tests.

5.4 Right-of-use assets and lease liabilities

CHANGE IN RIGHT-OF-USE ASSETS BY CATEGORY In thousands of euros	Property leases	Vehicles	Servers	Total
Net amount at 31 December 2019	**3,713**	**35**	**312**	**4,059**
New leases	0	8	0	8
Amortisation	- 215	- 11	- 52	- 279
Net amount at 30 June 2020	**3,498**	**31**	**260**	**3,788**
Gross amount	*4,573*	*40*	*416*	*5,029*
Cumulative amortisation	*-1,076*	*- 9*	*- 156*	*-1,240*

LEASE LIABILITY SCHEDULE BY CATEGORY In thousands of euros	Less than 1 year	1-5 years	More than 5 years	Total
31 December 2019	**346**	**1,882**	**2,180**	**4,409**
Property leases	439	1,611	1,972	4,022
Vehicles	13	17	0	31
Servers	119	183	0	303
30 June 2020	**572**	**1,812**	**1,972**	**4,355**

Other information

Interest expense relating to lease liabilities, presented under gross cost of debt on the income statement, is as follows:

In thousands of euros	First half 2020	First half 2019
Interest expense relating to lease liabilities	**43**	**46**

5.5 Other financial assets

Other financial assets consist of the following:

OTHER FINANCIAL ASSETS In thousands of euros	Investments in non-consolidated affiliates	Loans, guarantee deposits and other receivables	Total
Statement of financial position at 31 December 2019	**80**	**13**	**93**
Increases	0	1	1
Decreases	0	0	0
Change in scope	0	0	0
Statement of financial position at 30 June 2020	**80**	**14**	**94**

5.6 Trade receivables

Trade receivables break down as follows:

TRADE RECEIVABLES In thousands of euros	30/06/2020	31/12/2019
Trade receivables	4,605	5,669
Invoices not yet raised	2,710	1,584
Impairment of trade receivables	- 318	- 321
Net total trade receivables	**6,997**	**6,932**

At 30 June 2020 and 31 December 2019, impairment of trade receivables included an impairment loss of €230 thousand relating to an Australian customer.

At 30 June 2020 trade receivables broke down as follows by due date:

BREAKDOWN OF TRADE RECEIVABLES In thousands of euros	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and above	Total

Total trade receivables - gross	6,720	263	32	7	294	7,315
Impairment of trade receivables	- 82	- 3	0	0	- 233	- 318
Total trade receivables - net	**6,638**	**260**	**31**	**7**	**61**	**6,997**

5.7 Other current assets

Other current assets break down as follows:

OTHER RECEIVABLES AND ACCRUALS In thousands of euros	30/06/2020	31/12/2019
Suppliers - Advances and prepayments	13	4
Other amounts receivable from suppliers	29	24
Other receivables - current	304	327
Prepaid expenses	511	405
Total other current assets	**857**	**760**

5.8 Tax and employment-related receivables

Tax and employment-related receivables break down as follows:

TAX AND EMPLOYMENT-RELATED RECEIVABLES In thousands of euros	30/06/2020	31/12/2019
VAT	1,102	1,284
Current tax receivables	404	404
Employees and social security agencies	28	2
Current tax and employment-related receivables	**1,534**	**1,689**
Non-current tax receivables	0	137
Non-current tax and employment-related receivables	**0**	**137**
Total tax and employment-related receivables	**1,534**	**1,826**

5.9 Cash and cash equivalents

The Group's cash position breaks down as follows:

CASH AND CASH EQUIVALENTS In thousands of euros	30/06/2020	31/12/2019
Cash	4,007	4,076
Marketable securities	118	118
Total cash and cash equivalents	**4,125**	**4,194**

5.10 Equity

Share capital

The share capital has not changed since 31 December 2019. Please refer to the IFRS consolidated financial statements for the year ended 31 December 2019.

Dividends paid

The Company did not pay any dividends in the periods presented.

5.11 Provisions

Contingency and loss provisions break down as follows:

CONTINGENCY AND LOSS PROVISIONS In thousands of euros	31/12/2019	Additions	Reversed used	Reversed unused	30/06/2020
Contingency and loss provisions	315	0	- 186	0	130
Total	**315**	**0**	**- 186**	**0**	**130**

5.12 Current and non-current financial liabilities

Financial liabilities broke down as follows at the end of the periods presented:

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES In thousands of euros	30/06/2020	31/12/2019
Borrowings from credit institutions	910	0
Loan from the majority shareholder	3,000	0
Lease liabilities	3,783	4,063
Non-current financial and lease liabilities	**7,693**	**4,063**
Borrowings from credit institutions	925	2,738
Loan from the majority shareholder	62	0
Lease liabilities	572	346
Current financial and lease liabilities	**1,559**	**3,085**
Total financial and lease liabilities	**9,252**	**7,147**

Financial liabilities measured on the basis of undiscounted cash flows (excluding interest) broke down as follows at the end of the two periods:

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES MEASURED ON THE BASIS OF UNDISCOUNTED CASH FLOWS In thousands of euros	30/06/2020			
	Total	Due in less than one year	Due in 1-5 years	Due in more than 5 years
Borrowings from credit institutions	1,833	917	917	0
Loan from the majority shareholder	3,000	0	3,000	0
Lease liabilities	4,425	577	2,300	1,549
Total financial and lease liabilities	**9,258**	**1,493**	**6,216**	**1,549**

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES MEASURED ON THE BASIS OF UNDISCOUNTED CASH FLOWS In thousands of euros	31/12/2019			
	Total	Due in less than one year	Due in 1-5 years	Due in more than 5 years
Borrowings from credit institutions	2,750	2,750	0	0
Lease liabilities	4,904	369	2,704	1,830
Total financial and lease liabilities	**7,654**	**3,119**	**2,704**	**1,830**

The differences between the financial liabilities shown on the statement of financial position and financial liabilities measured on the basis of undiscounted cash flows result from:

- The use of amortised cost to measure borrowings from credit institutions;

- The discounting of future lease payments in relation to lease liabilities.

Cash impacts are as follows:

In thousands of euros	31/12/2019	Cash inflows	Cash outflows	30/06/2020
Borrowings from credit institutions	2,750	0	- 917	1,833
Loan from the majority shareholder	0	3,000		3,000
Lease liabilities	4,904	0	- 479	4,425
Total	**7,654**	**3,000**	**-1,396**	**9,258**

5.13 Debt owed to credit institutions and the majority shareholder

Senior debt

Debt owed to credit institutions includes a €5,500,000 loan granted to Aspin Management on 30 June 2016, which is repayable in regular instalments and has a final maturity date of 30 June 2022.

At 31 December 2019, all of this senior debt had been reclassified as current financial liabilities because a covenant was breached at that date (see the IFRS consolidated financial statements for the year ended 31 December 2019 for more information). On 24 January 2020, the Company obtained a waiver from the banking syndicate in relation to that breach. As a result, the portion of senior debt due in more than one year was again classified as non-current financial liabilities at 30 June 2020.

Convertible bonds

On 28 April 2020, the Company issued €3,000,000 of convertible bonds (see Note 1.3).

In accordance with IAS 32, no equity component has been recognised since the conversion option would result in a variable number of equity instruments. The convertible bonds are measured at amortised cost.

Unused factoring facilities
In 2012, Alchimie SASU signed a factoring agreement, which remains in force and whose main characteristics are as follows: funding limit of €6,000,000 and a factor rate of 3-month Euribor +0.7%. The agreement was unused at 30 June 2020.

5.14 Employee benefits

The assumptions used to calculate retirement benefit obligations at 30 June 2020 are similar to those used at 31 December 2019.

Obligations to staff members have changed as follows since 31 December 2019:

OBLIGATIONS TO STAFF MEMBERS **In thousands of euros**	**Retirement benefit obligations**
31/12/2019	**322**
Past service cost	16
Financial cost	2
30/06/2020	**340**

5.15 Trade payables

Trade payables amounted to €7,422 thousand at 30 June 2020 and broke down as follows:

TRADE PAYABLES **In thousands of euros**	**30/06/2020**	**31/12/2019**
Trade payables	3,174	2,416
Invoices not received	4,248	4,372
Total trade payables	**7,422**	**6,788**

Invoices not received break down as follows:

INVOICES NOT RECEIVED **In thousands of euros**	**30/06/2020**	**31/12/2019**
Marketing	1,112	521
Rental charges	0	157
Rights management company	1,210	995
Operator commissions	425	711
Subcontracting	193	0
External advisors	109	165
Revenue sharing	128	0
Content costs	629	782
Technological and development costs	127	0
Other	315	1,041
Total invoices not received	**4,248**	**4,372**

Trade payables are not discounted, since no amounts were due in more than one year at 30 June 2020.

5.16 Other current liabilities and tax and employment-related liabilities

Other current liabilities amounted to €263 thousand at 30 June 2020 as opposed to €271 thousand at 31 December 2019. The following table shows how they have changed over time and how they break down:

OTHER CURRENT LIABILITIES **In thousands of euros**	**30/06/2020**	**31/12/2019**
Advances and payments on account received from customers	159	146
Liabilities relating to asset acquisitions	0	30
Other	104	95
Total	**263**	**271**

Tax and employment-related liabilities amounted to €2,609 thousand at 30 June 2020, as opposed to €2,518 thousand at 31 December 2019. Changes in the last two financial years have been as follows:

TAX AND EMPLOYMENT-RELATED LIABILITIES **In thousands of euros**	**30/06/2020**	**31/12/2019**
VAT	1,002	1,147
Social security liabilities	1,290	1,288
Shares held by managers	54	52
Other	264	31
Total	**2,609**	**2,518**

NOTE 6 - INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

6.1 Revenue

The breakdown of revenue between the Group's various businesses and geographical zones is presented in Note 4.

6.2. Details of income and expenses by function

Cost of sales

COST OF SALES In thousands of euros	First half 2020	First half 2019
Operator commissions	-3,490	-3,732
Licensing costs	-2,483	-1,273
Personnel costs	- 529	- 563
Other	- 941	- 526
TOTAL	**-7,442**	**-6,095**

Technological and development costs

Technological and development costs In thousands of euros	First half 2020	First half 2019
Personnel costs	-1,820	-1,532
Other	- 188	- 113
TOTAL	**-2,009**	**-1,645**

Sales and marketing costs

Sales and marketing costs In thousands of euros	First half 2020	First half 2019
Advertising and communication costs	-6,171	-6,082
Personnel costs	-1,265	-1,480
TOTAL	**-7,435**	**-7,562**

General and administrative expenses

General and administrative expenses In thousands of euros	First half 2020	First half 2019
Personnel costs	- 841	- 625
Miscellaneous professional and consulting fees	- 336	- 344
IT and telecoms infrastructure	- 390	- 381
Management fees	- 249	- 246
Amortisation of right-of-use assets	- 273	- 272
Taxes	- 109	- 110
Other	- 441	- 212
TOTAL	**-2,639**	**-2,190**

6.3 Workforce and payroll

The Group's average workforce at the end of each period presented broke down as follows:

AVERAGE NUMBER OF EMPLOYEES	30/06/2020	30/06/2019
Managers	84	76
Non-managers	13	10
Total	**97**	**86**

Payroll costs recognised on the income statements for the two periods presented are as follows:

PAYROLL COSTS In thousands of euros	First half 2020	First half 2019
Wages and salaries	-3,119	-2,765
Social security costs	-1,071	-1,033
Other expenses	-76	- 80
Payroll costs	**-4,266**	**-3,878**

6.4 Net financial income/expense

FINANCIAL INCOME AND EXPENSE In thousands of euros	First half 2020	First half 2019
Net cost of debt	**- 150**	**- 106**
Interest expense	- 150	- 106
Other financial income and expense	**- 33**	**- 6**
Foreign exchange gain/loss	- 33	- 6
Net financial income/expense	**- 183**	**- 112**

6.5 Income tax

The tax rate applicable to the Company is the rate in force in France, i.e. 28% in 2019 and 2020. The rate applicable to the Cellfish GmbH subsidiary is 31.23% in 2020 and the rate applicable to Alchimie UK is 21% in 2020.

The current tax expense of €252 thousand in the first half of 2020 corresponds to the income tax of German subsidiary Cellfish GmbH.

No material change was recognised at 30 June 2020 regarding deferred tax by comparison with the annual consolidated financial statements at 31 December 2019.

6.6 Earnings per share

The table below shows how basic earnings per share are calculated:

BASIC EARNINGS PER SHARE	First half 2020	First half 2019
Net income for the period (in thousands of euros)	-3,224	-1,263
Weighted average number of shares in issue	559,625	495,000
Basic earnings per share (in euros)	**-5.76**	**-2.55**

To calculate diluted earnings per share, preferred shares were not taken into account because they can only be converted into ordinary shares in the event of an IPO; the conversion ratio would be based on the IPO price, which could not be determined on the date the financial statements were approved.

The convertible bonds issued in April 2020 were not taken into account in the calculation of diluted earnings per share for the first half of 2020. In accordance with IAS 33, the calculation of diluted earnings per share does not assume conversion that would have an antidilutive effect on earnings per share and, because the Company made net losses in the periods presented, the conversion of the convertible bonds into ordinary shares will reduce the loss per share from continuing operations.

As a result, basic and diluted earnings per share are the same.

NOTE 7 - OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments at 30 June 2020 were not materially different from those at 31 December 2019.

NOTE 8 - OTHER INFORMATION

8.1 Related parties

Related-party transactions continued on the same basis as in 2019 without any material change (see Note 8.3 to the financial statements for the year ended 31 December 2019).

5.3 Audit of annual financial information

5.3.1 Free translation of the audit report issued by Ernst & Young et Autres of Aspin Management's consolidated financial statements for the financial years ended 31 December 2019 and 31 December 2018

Report on the audit carried out by Alchimie SAS' statutory auditor on the consolidated financial statements of Aspin Management

To the Chairman,

As statutory auditor of Alchimie SAS and in accordance with regulation (EU) no. 2017/1129 supplemented by delegated regulation (EU) no. 2019/980 in relation to the plan to offer shares in Alchimie SAS to the public and admit them for trading on the Euronext Growth market, we carried out, at your request, an audit of Aspin Management's consolidated financial statements for the financial years ended 31 December 2018 and 31 December 2019, prepared for the purpose of the prospectus and presented in accordance with IFRSs as endorsed by the European Union, as enclosed with this report.

The consolidated financial statements were finalised under the responsibility of the chairman on 13 October 2020, based on information available at that date against the background of the rapidly developing Covid-19 crisis. Our role is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the professional standards applicable in France and the professional guidelines of the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes). Those standards require that we plan and perform the audit in such a way as to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit, based on sample checks or other methods of selection, involves verifying the items substantiating the amounts and information contained in the financial statements. It also consists of assessing the accounting policies used, significant estimates made and the overall presentation of the financial statements. We believe that the information that we collected provides a sufficient and appropriate basis for our opinion.

In our opinion, the consolidated financial statements prepared for the purpose of the prospectus accurately present, in all material aspects and with regard to IFRSs as endorsed by the European Union, the assets and financial position at 31 December 2018 and 31 December 2019 and the results of the group consisting of entities included in the scope of consolidation for each period ending on those dates.

Without prejudice to the above opinion, we draw your attention to the "Going concern" paragraph in Note 2.1 to the consolidated financial statements, which describes the actions that the Group would take in the absence of an IPO to ensure its liquidity in the next 12 months.

Paris-La Défense, 21 October 2020

Statutory Auditor
Ernst & Young et Autres

Jean-François Ginies

5.3.2 Free translation of the limited review report issued by Ernst & Young et Autres of Aspin Management's condensed consolidated financial statements for the six-month period ended 30 June 2020

Report on the limited review carried out by Alchimie SAS' statutory auditor on the condensed interim consolidated financial statements of Aspin Management

To the Chairman,

As statutory auditor of Alchimie SAS and in response to your request in relation to the plan to offer shares in Alchimie SAS to the public and admit them for trading on the Euronext Growth market, we carried out a limited review of Aspin Management's condensed interim consolidated financial statements for the period from 1 January to 30 June 2020, as enclosed with this report.

The condensed interim consolidated financial statements were finalised under the responsibility of the chairman on 13 October 2020, based on information available at that date against the background of rapid developments in the Covid-19 crisis and difficulties assessing its impact and the resulting outlook. Our role is to express a conclusion on these financial statements based on our limited review.

We conducted our limited review in accordance with professional standards applicable in France and the professional guidelines of the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes). A limited review consists mainly of conducting discussions with members of management responsible for accounting and financial matters, and carrying out analytical procedures. This work is less extensive than that required by an audit carried out according to the prevailing standards of the profession in France. As a result, a limited review provides a moderate level of assurance, i.e. a lower level of assurance than that provided by an audit, that the condensed interim consolidated financial statements as a whole are free of material misstatement.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, which is the standard forming part of the IFRSs as endorsed by the European Union that relates to interim financial information.

Without prejudice to the above conclusion, we draw your attention to the "Going concern" paragraph in Note 2.1 to the condensed interim consolidated financial statements, which describes the actions that the Group would take in the absence of an IPO to ensure its liquidity in the next 12 months.

Paris-La Défense, 21 October 2020

Statutory Auditor
Ernst & Young et Autres

Jean-François Ginies

5.4 Key performance indicators

In addition to the accounting items and key performance indicators presented in section 2.2.3.8 of the Registration Documents (number of channels and number of subscribers), management has defined an alternative performance indicator (API) that it monitors on a regular and ongoing basis.

The API monitored by the Group is average revenue per subscriber or user over a 12-month period ("Average revenue per user over 12 months" or "ARPU12"). The Group's ARPU12 represents revenue (the Group's average revenue, minus invoicing commissions, from a cohort of subscriber for a given service (stand-alone or bundled offerings)) over a 12-month period divided by the number of subscribers in the cohort.

It is very useful in explaining movements in revenue. It is also used by the Group to assess movements in the subscriber base. Movements in this indicator reflect in particular movements in the average selling price of services marketed by the Group and changes in the way in which the Group's channels are distributed, i.e. either individually or as a package. Movements in this indicator are also linked with the loyalty of the Group's subscribers, since a reduction in churn results in an increase in ARPU12.

The API is also used by the Group to assess subscriber profitability and therefore to assess whether it is advisable to incur marketing expenditure in order to increase its subscriber base overall or in relation to the launch of a stand-alone channel.

Based on the number of new customers in the test period, ARPU12 was €28 at 31 December 2018 and €25 at 31 December 2019.

5.5 Material change in the Company's financial position

To the Company's knowledge, no material change in the Group's financial position has taken place since 30 June 2020.

5.6 Dividend policy

The Group does not intend to start paying dividends in the short to medium term given the Company's stage of development, so that it can dedicate its available resources to funding its development plan.

5.7 Unaudited proforma consolidated financial information

5.7.1 The Company's unaudited proforma consolidated financial information for the 6-month period ended 30 June 2020 and the 12-month periods ended 31 December 2018 and 31 December 2019

ALCHIMIE
PROFORMA FINANCIAL INFORMATION

1. Unaudited proforma consolidated financial information

Introduction

The unaudited proforma consolidated financial information has been prepared as part of the planned public offering and admission of shares in Alchimie SA (the "**Company**") to trading on the Euronext Growth Paris market.

This unaudited proforma consolidated financial information of the Company and its subsidiaries (the "**Group**") consists of:

- unaudited proforma consolidated income statements for:
  - the year ended 31 December 2019,
  - the year ended 31 December 2018,
  - the six-month period ended 30 June 2020,
  - the six-month period ended 30 June 2019,
- the unaudited proforma consolidated statement of financial position at 30 June 2020;
- and explanatory notes to the proforma consolidated financial information

(together the "**proforma financial information**").

This unaudited information was prepared with a view to presenting the scope of the business that the Group intends to float, and to representing the proforma impact of transactions described in Note 2 "Transactions covered by this proforma financial information" as if they had been carried out on 1 January 2018 for all consolidated income statements and on 30 June 2020 for the consolidated statement of financial position. These transactions will take effect after 30 June 2020 and before the IPO, subject to a condition precedent relating to the setting of the public offering price.

The unaudited proforma consolidated financial information is presented in euros and rounded to the nearest thousand euros, unless otherwise stated. Rounding differences may appear between the various sections of this document.

Unaudited proforma consolidated income statement for the year ended 31 December 2019

In thousands of euros	(1) Historical consolidated financial statements ASPIN MANAGEMENT 2019	(2) Proforma adjustment Transferred Legacy business	(= 1 + 2) Proforma consolidated total ALCHIMIE 2019
Revenue	34,385	(10,744)	23,641
Cost of sales	(13,288)	3,427	(9,860)
Gross profit	**21,098**	**(7,317)**	**13,781**
Technological and development costs	(3,420)	596	(2,823)
Sales and marketing costs	(14,060)	1,206	(12,854)
General and administrative expenses	(4,468)	819	(3,649)
Operating income	**(850)**	**(4,695)**	**(5,545)**

Unaudited proforma consolidated income statement for the year ended 31 December 2018

In thousands of euros	(1) Historical consolidated financial statements ASPIN MANAGEMENT 2018	(2) Proforma adjustment Transferred Legacy business	(= 1 + 2) Proforma consolidated total ALCHIMIE 2018
Revenue	38,730	(20,850)	17,880
Cost of sales	(15,043)	6,955	(8,088)
Gross profit	**23,687**	**(13,895)**	**9,792**
Technological and development costs	(3,388)	1,079	(2,309)
Sales and marketing costs	(16,758)	6,263	(10,495)
General and administrative expenses	(4,969)	1,613	(3,356)
Operating income	**(1,428)**	**(4,940)**	**(6,368)**

Unaudited proforma consolidated income statement for the six-month period ended 30 June 2020

In thousands of euros	(1) Historical consolidated financial statements ASPIN MANAGEMENT First half 2020	(2) Proforma adjustment Transferred Legacy business	(= 1 + 2) Proforma consolidated total ALCHIMIE First half 2020
Revenue	16,900	(3,232)	13,668
Cost of sales	(7,442)	984	(6,458)
Gross profit	**9,458**	**(2,247)**	**7,211**
Technological and development costs	(2,009)	96	(1,913)
Sales and marketing costs	(7,435)	(24)	(7,460)
General and administrative expenses	(2,639)	139	(2,500)
Operating income	**(2,625)**	**(2,037)**	**(4,663)**

Unaudited proforma consolidated income statement for the six-month period ended 30 June 2019

In thousands of euros	(1) Historical consolidated financial statements ASPIN MANAGEMENT First half 2019	(2) Proforma adjustment Transferred Legacy business	(= 1 + 2) Proforma consolidated total ALCHIMIE First half 2019
Revenue	16,331	(6,193)	10,138
Cost of sales	(6,095)	1,979	(4,116)
Gross profit	**10,236**	**(4,214)**	**6,022**
Technological and development costs	(1,645)	383	(1,262)
Sales and marketing costs	(7,562)	896	(6,666)
General and administrative expenses	(2,190)	495	(1,695)
Operating income	**(1,162)**	**(2,441)**	**(3,602)**

Unaudited proforma statement of financial position at 30 June 2020

In thousands of euros	(1) Historical consolidated financial statements ASPIN MANAGEMENT 30 June 2020	(2) Proforma adjustment **Transferred Legacy business**	(3) Proforma adjustment **Repurchase of preferred shares and redemption of convertible bonds held by HLD Management**	(= 1 + 2 + 3) **Proforma consolidated total** **ALCHIMIE** **30 June 2020**
ASSETS				
Goodwill	2,862	(1,360)		1,501
Intangible assets	2,027	0		2,027
Property, plant and equipment	337	0		337
Right-of-use assets	3,788	0		3,788
Deferred tax assets	187	0		187
Other non-current financial assets	94	0		94
Total non-current assets	**9,294**	**(1,360)**	**0**	**7,933**
	0			
Trade and other receivables	6,997	(937)		6,060
Current tax and employment-related receivables	1,534	(29)		1,505
Other current assets	857	(6)		850
Cash and cash equivalents	4,125	0		4,125
Total current assets	**13,512**	**(972)**	**0**	**12,540**
Total assets	**22,806**	**(2,333)**	**0**	**20,473**
EQUITY AND LIABILITIES				
Consolidated equity	**2,790**	**(1,955)**	**(4,580)**	**(3,744)**
Employee benefits	340	(11)		329
Non-current financial liabilities	3,910	0	3,062	848
Non-current lease liabilities	3,783	0		3,783
Deferred tax liabilities	0	0		0
Provisions	130	0		130
Other non-current liabilities	0	0	7,642	7,642
Non-current liabilities	**8,163**	**(11)**	**4,580**	**12,732**
Current financial liabilities	987	0		987
Current lease liabilities	572	0		572
Trade payables	7,422	(158)		7,264
Current tax and employment-related liabilities	2,609	(168)		2,442
Other current liabilities	263	(41)		222
Current liabilities	**11,853**	**(367)**	**0**	**11,486**
Total equity and liabilities	**22,806**	**(2,333)**	**0**	**20,473**

2. Notes to the proforma financial information

Note 1. Transactions covered by this proforma financial information

1.1. Spin-off of part of the Legacy business to Elixir SAS and distribution of Elixir SAS shares to the Company's shareholders

Before the date on which the Autorité des Marchés Financiers (**AMF**) approves the prospectus relating to the admission of the Group's shares for trading on Euronext Growth Paris, the Company will transfer the assets and liabilities of its long-standing "Mobile Personalisation" business (formerly Cellfish), i.e. part of the "Legacy" business, to Elixir SAS, in return for ordinary shares in Elixir SAS (the "**Spin-off**"), such that immediately after the Spin-off, the Company will own all Elixir SAS shares in issue.

Subject to a condition precedent relating to the setting of the public offering price, immediately after Aspin Management is merged into the Company, the Company will carry out an exceptional distribution of the shares in Elixir SAS (renamed "Cellfish") to the shareholders of Alchimie SA before the sale of shares through the public offering, pursuant to a prior resolution adopted by the Company's shareholders in a general meeting ("**Distribution of part of the Legacy business**").

1.2. Other transactions

The reorganisation of the Company before the IPO will lead to other transactions, subject to a condition precedent relating to the setting of the public offering price: (i) after Aspin Management has been merged into the Company, Aspin Management SAS's current shareholders will become direct shareholders of the Company and the shares in the Company held by Aspin Management SAS will be cancelled at that point, (ii) the preferred shares issued by Aspin Management SAS and acquired by HLD Europe SCA will be bought back through the recognition of a liability in a shareholder current account, and cancelled as part of a capital reduction not for the purpose of absorbing losses and (iii) the convertible bonds issued by Aspin Management SAS and acquired by HLD Europe SCA will be redeemed in full through the recognition of a liability in a shareholder current account.

The merger and the cancellation of own shares, which will form part of those taking place before the Company's IPO, are not reflected in the proforma financial information because they will only affect items making up consolidated equity (share capital, share premiums and consolidated reserves), with no impact on items on the consolidated income statement, other items on the consolidated statement of financial position or total consolidated equity.

Note 2 - Basis for preparing the proforma financial information

2.1. Regulatory framework

The unaudited proforma consolidated financial information was prepared in accordance with annexes 1-20 of the European Commission Delegated Regulation (EU) 2019/980, ESMA (European Securities and Market Authority) guidelines 2013/319 of 20 March 2013 and AMF recommendation 2013-08.

2.2. Accounting policies

The unaudited proforma consolidated financial information was prepared in accordance with the accounting policies used to prepare Aspin Management's full-year consolidated financial statements at 31 December 2019 and the condensed interim consolidated financial statements at 30 June 2020 and is to be understood in relation to those financial statements.

This proforma financial information is purely for information and presents a hypothetical situation. It is intended to illustrate the impact that the transactions would have had if they had taken place on a prior date, but do not represent the financial situation or performance that would have occurred if the transactions had taken place on dates prior to those on which they actually took place.

2.2.1. Financial information used

The unaudited proforma consolidated financial information is based on:

- Consolidated income statements for 2019 and 2018, taken from Aspin Management's full-year consolidated financial statements for the year ended 31 December 2019, prepared voluntarily in accordance with IFRSs (International Financial Reporting Standards) as endorsed by the European Union at 31 December 2019, and audited by the statutory auditor Ernst & Young et Autres;
- Consolidated income statements for the first halves of 2020 and 2019 and the statement of financial position at 30 June 2020, taken from Aspin Management's unaudited condensed interim consolidated financial statements for the six-month period ended 30 June 2020, prepared voluntarily in accordance with IAS 34 "Interim financial reporting" (forming part of the IFRSs (International Financial Reporting Standards) published by IASB, as endorsed by the European Union), and subject to a limited review by the statutory auditor Ernst & Young et Autres.

2.2.2. Proforma adjustments

Proforma adjustments are based on information available as of the date of this document, and on certain assumptions and estimates detailed in Note 3 "Proforma adjustments and assumptions made in preparing the information", which Alchimie regards as reasonable. These adjustments are directly attributable to the contingent transactions, and can be supported by factual and reliably estimated elements.

They do not take into account any elements that cannot be identified or determined at the date of this document, such as:

- Synergies, improvements in operational efficiency or other cost reductions that the transactions may generate;
- Restructuring or integration costs that the transactions may generate; and
- Specific elements or other costs that may be incurred.

Note 3 - Proforma adjustments and assumptions made in preparing the information

3.1. Spin-off of part of the Legacy business to Elixir SAS and distribution of Elixir SAS shares to the Company's shareholders

The spin-off of part of the Legacy business to Elixir SAS and the distribution of Elixir SAS shares to the Company's shareholders will take place after 30 June 2020 and prior to the Company's IPO.

- If these transactions had taken place on 1 January 2018, the unaudited proforma consolidated income statements would have been modified as follows:
  - Revenue would have fallen by €10,744 thousand in 2019, by €20,850 thousand in 2018, by €3,232 thousand in the first half of 2020 and by €6,193 thousand in the first half of 2019.
  - Operating income would have fallen by €4,695 thousand in 2019, by €4,940 thousand in 2018, by €2,037 thousand in the first half of 2020 and by €2,441 thousand in the first half of 2019.
  - The impact of spinning off part of the Legacy business before the distribution of Elixir SAS shares on the 2019 and 2018 financial years, and on the first halves of 2020 and 2019, was based on the following:
    - Within the "Legacy" business, the services spun off are as follows: KKO, Top Mobile, MStore, TopMobile, Mobidol, Snack Games (images, ringtones, voicemail greetings, games, apps) sold in France and the UK.
    - The direct income and expenses arising from these services were identified using analytical accounting (business dimension).
    - Fixed costs (personnel costs and operating costs) were allocated according to formulas used in the Group's reporting documents in the various periods. Those formulas correspond to the Company's estimates, based on timesheets and statements made by teams and/or platform usage.
    - The distribution of shares in Elixir SAS to the Company's shareholders corresponds to a distribution of non-cash assets to owners of the Company. Since this distribution is to take place between entities under common control (because of HLD Management), the Company measured the carrying amount of the net asset transferred to shareholders, with no impact on the Group's earnings.
- If the transactions had taken place on 30 June 2020, the unaudited condensed consolidated statement of financial position would have been modified as follows:
  - As regards goodwill at 30 June 2020, the portion related to the transferred Legacy business is measured on the basis of values relating to the transferred Legacy business and the retained Legacy business. The portion divested and presented as a proforma adjustment corresponds to 50% of the Legacy business's goodwill (€2,721 thousand), i.e. €1,360 thousand. The prospects of the retained Legacy business are equivalent to those of the divested Legacy business.
  - As regards the other elements of the statement of financial position at 30 June 2020, the proforma adjustment was carried out as follows:
    - For trade receivables and payables, the carve-out reflected in the proforma adjustment was carried out using the Company's subledgers relating to third parties.
    - Employment-related liabilities are those relating to the staff member transferred, who works 40% of full time.

3.2. Repurchase of preferred shares and redemption of convertible bonds held by HLD Management

The repurchase of preferred shares and the redemption of convertible bonds held by HLD Management will take place after 30 June 2020 and before the IPO, by transferring the relevant amounts into a HLD shareholder current account.

If the transactions had taken place on 30 June 2020, the unaudited condensed consolidated statement of financial position would have been modified as follows:

- As regards the repurchase of preferred shares held by HLD Europe SCA, the transaction would reduce equity by €4,580 thousand, with a balancing reduction in a shareholder current account.
- As regards the full redemption of the convertible bonds issued by Aspin Management and held by HLD Europe SCA, the transaction would reduce non-current financial liabilities by €3,062 thousand (nominal

amount of €3,000 thousand and interest of €62 thousand), with a balancing reduction in a shareholder current account.

- Given its maturity, the shareholder current account is included in “Other non-current liabilities”.

Note 4 - Segment reporting

4.1. Segment reporting for the year ended 31 December 2019

In thousands of euros	**Proforma consolidated total** **ALCHIMIE** **2019**	*Of which:* ***Video business***	***Retained Legacy business***
Revenue	23,641	18,391	5,250
Cost of sales	(9,860)	(8,587)	(1,273)
Gross profit	**13,781**	**9,804**	**3,977**
Technological and development costs	(2,823)	(2,401)	(423)
Sales and marketing costs	(12,854)	(12,019)	(835)
General and administrative expenses	(3,649)	(2,994)	(655)
Operating income	**(5,545)**	**(7,610)**	**2,065**

4.2. Segment reporting for the year ended 31 December 2018

In thousands of euros	**Proforma consolidated total** **ALCHIMIE** **2018**	*Of which:* ***Video business***	***Retained Legacy business***
Revenue	17,880	10,038	7,842
Cost of sales	(8,088)	(5,124)	(2,965)
Gross profit	**9,792**	**4,915**	**4,877**
Technological and development costs	(2,309)	(1,780)	(529)
Sales and marketing costs	(10,495)	(9,410)	(1,085)
General and administrative expenses	(3,356)	(2,660)	(696)
Operating income	**(6,368)**	**(8,935)**	**2,567**

4.3. Segment reporting for the six-month period ended 30 June 2020

In thousands of euros	**Proforma consolidated total** **ALCHIMIE** ***First half 2020***	*Of which:* ***Video business***	***Retained Legacy business***
Revenue	13,668	11,625	2,044
Cost of sales	(6,458)	(6,024)	(433)
Gross profit	**7,211**	**5,601**	**1,610**
Technological and development costs	(1,913)	(1,822)	(91)
Sales and marketing costs	(7,460)	(7,393)	(67)
General and administrative expenses	(2,500)	(2,363)	(138)
Operating income	**(4,663)**	**(5,977)**	**1,314**

4.4. Segment reporting for the six-month period ended 30 June 2019

In thousands of euros	**Proforma consolidated total ALCHIMIE** **First half 2019**	*Of which:* ***Video business***	***Retained Legacy business***
Revenue	10,138	7,498	2,640
Cost of sales	(4,116)	(3,361)	(755)
Gross profit	**6,022**	**4,137**	**1,885**
Technological and development costs	(1,262)	(1,025)	(237)
Sales and marketing costs	(6,666)	(6,032)	(634)
General and administrative expenses	(1,695)	(1,388)	(307)
Operating income	**(3,602)**	**(4,308)**	**706**

5.7.2 Report by the Company's statutory auditor on the Company's proforma consolidated financial information for the 6-month period ended 30 June 2020 and the 12-month periods ended 31 December 2018 and 31 December 2019

Report by the statutory auditor on the proforma consolidated financial information relating to the planned public offering and admission of Alchimie shares to trading on the Euronext Growth market

To the Chairman,

As statutory auditor and in accordance with Regulation (EU) 2017/1129 supplemented by Commission Delegated Regulation (EU) 2019/980, we have prepared this report on Alchimie's proforma consolidated financial information for the financial years from 1 January to 31 December 2018 and from 1 January to 31 December 2019 and the six-month period from 1 January to 30 June 2020 included in section 5.7.1 of the Registration Document (the "Proforma Financial Information").

The Proforma Financial Information was prepared with the sole purpose of illustrating the effect that:

- the distribution of part of the Legacy business to the existing shareholders of Aspin Management, resulting in those activities being excluded from the scope of the Alchimie group's operations;
- the merger of Aspin Management into Alchimie ("reverse merger");
- and the reduction in Alchimie's capital in order to cancel the shares held in treasury resulting from the reverse merger with Aspin Management;

might have had on Alchimie's consolidated income statement for 2018, 2019 and the first half of 2020, if those transactions had taken effect on 1 January 2018.

The Proforma Financial Information describes a hypothetical situation and does not necessarily represent the financial position or performance that would have occurred if the transaction or event had taken place before its actual or planned date.

You are responsible for this Proforma Financial Information, in accordance with Regulation (EU) 2017/1129 and ESMA recommendations relating to proforma consolidated financial information.

Our responsibility is to express a conclusion, based on our work, in the terms required by annex 20, section 3 of Commission Delegated Regulation (EU) 2019/980, about whether the Proforma Financial Information was properly compiled on the basis stated.

We have carried out the work we considered necessary to comply with the professional guidelines issued by the French national auditing body *(Compagnie Nationale des Commissaires aux Comptes)* relating to this type of assignment. The work did not include an audit or limited review of the financial information used to prepare the Proforma Financial Information. It consisted mainly of checking that the basis for preparing the Proforma Financial Information was consistent with the source documents as described in the explanatory notes to the proforma consolidated financial information, examining the relevant items justifying proforma adjustments, and liaising with Alchimie's management to collect the information and explanations we deemed necessary.

Our opinion is that:

the Proforma Financial Information was properly compiled on the basis stated;

that basis is consistent with the accounting policies of the issuer within the specific context of preparing its registration document.

This report is issued solely for the following purposes:

the filing of the Registration Document with the AMF and the AMF's approval of the prospectus;

and the admission of Alchimie securities to trading on the Euronext Growth market and a public offering of Alchimie securities in France and in other European Union countries in which the AMF-approved prospectus may be issued,

and it may not be used in any other context.

Paris-La Défense, 21 October 2020

Statutory Auditor
Ernst & Young et Autres

Jean-François Ginies

6. SHAREHOLDER AND SECURITY HOLDER INFORMATION

6.1 Main shareholders

6.1.1 Ownership of shares and voting rights

At the date of this Registration Document, the Company was a simplified joint-stock corporation solely owned by a company in which HLD Europe SCA owns a 70.5% direct stake, Nicolas d'Hueppe and Iseran Management (a holding company wholly owned by Nicolas d'Hueppe and in which he has a management role) own a 22.1% direct stake and certain Group executives and managers own a 7.4% direct stake.

The share ownership table below shows the ownership of the Company's share capital and voting rights at the date of the Registration Document.

	Number of ordinary shares and voting rights	**% of share capital and voting rights**
Aspin Management[1]	100,000	100.0%
TOTAL	***100,000***	***100.0%***

(1) A company in which HLD Europe SCA owns a 70.5% stake, Nicolas d'Hueppe and Iseran Management (a holding company wholly owned by Nicolas d'Hueppe and in which he has a management role) own a 22.1% stake and certain Group executives and managers own a 7.4% stake.

After the Reorganisation described in section 2.3.2 of the Registration Document, HLD Europe SCA will hold a 70.5% direct stake in the Company, Nicolas d'Hueppe and Iseran Management (a holding company wholly owned by Nicolas d'Hueppe and in which he has a management role) will own a 22.1% stake and certain Group executives and managers will own a 7.4% stake.

After the Company's shares are admitted for trading on Euronext Growth Paris, HLD Europe SCA, Nicolas d'Hueppe and Iseran Management will be acting in concert (see section 6.13 of the Registration Document).

6.1.2 Voting rights of the main shareholders

Each share gives an entitlement to one vote. Subject to a condition precedent relating to the admission of the Company's shares for trading on Euronext Growth Paris, all fully paid-up shares that have been registered for at least two (2) years in the same shareholder's name shall carry double voting rights compared with the proportion of capital that they represent.

6.1.3 Control of the Company

At the date of the Registration Document, the Company was controlled by HLD Europe SCA. It is expected that the Company will remain controlled by HLD Europe SCA after the IPO. In that event, however, the Company believes that there is no risk of control being exercised in an improper manner, it being stipulated that the planned composition of the Board of Directors on the date the AMF approves the prospectus relating to the admission of the Company's shares for trading on Euronext Growth Paris, comprising two independent directors, two directors representing HLD Europe SCA and one director representing Iseran Management, appears balanced for the purpose of avoiding any situation in which control may be exercised improperly. The Company also intends to abide by the Middlenext Code recommendations.

At the date of the Registration Document, HLD Europe SCA, Nicolas d'Hueppe and Iseran Management, along with the Company's other shareholders, were parties to an agreement formed on 15 October 2015. That agreement will be terminated on the day on which the

Company’s shares are admitted for trading on Euronext Growth Paris. A new shareholder agreement will be formed solely between HLD Europe SCA, Nicolas d’Hueppe and Iseran Management, it being stipulated that for the purposes of that agreement, Nicolas d’Hueppe and Iseran Management will be regarded as acting jointly and severally and will therefore have the same rights. The new agreement will include the following provisions:

- *Action in concert:* the parties to the agreement recognise that the agreement constitutes an action in concert between them within the meaning of Article L. 233-10 of the French Commercial Code;

- *Crossing of an ownership threshold:* each party to the agreement undertakes to inform the other parties in the event of a planned transfer of securities that would take its share of the capital and voting rights below 50%;

- *Chairman and CEO:* Nicolas d’Hueppe will have the roles of Chairman of the Board of Directors and Chief Executive Officer of the Company;

- *Composition of the Board of Directors:* throughout the term of the agreement and without prejudice to the ability of a third-party shareholder in the Company to put forward candidates to be appointed to the Board, the Board of Directors will consist of seven directors including two independent directors, i.e. (i) three directors proposed by HLD Europe SCA including two directors representing HLD Europe SCA and one female director, (ii) three directors proposed by Iseran Management including at least one female director and one director representing Iseran Management, who will be the first chairman of the Board of Directors, and (iii) one director proposed jointly by HLD Europe SCA and Iseran Management;

- *Maintaining the composition of the Board of Directors:* throughout the term of the agreement, for as long as HLD Europe SCA holds the most shares in the Company, HLD Europe SCA will be able to propose three directors for appointment to the Board of Directors in accordance with the above arrangements. If a shareholder other than HLD Europe SCA comes to own more than 20% of the Company’s share capital, HLD Europe SCA will propose that that shareholder appoint one director in place of one of the directors appointed by HLD Europe SCA. Finally, if HLD Europe SCA’s stake in the Company’s capital falls below 10%, HLD Europe SCA will no longer be able to propose candidates for appointment to the Board of Directors;

- *Appointments and Remuneration Committee*: throughout the term of the agreement and without prejudice to the rights of third-party shareholders in the Company, the Appointments and Remuneration Committee will consist of three members including two independent members and will be chaired by a member representing HLD Europe SCA;

- *Audit Committee*: throughout the term of the agreement and without prejudice to the rights of third-party shareholders in the Company, the Audit Committee will consist of three members including two independent members and will be chaired by an independent member;

- *Right to be informed:* throughout the term of the agreement and subject to compliance with the applicable regulations, the Company’s Chief Executive Officer will undertake to provide to HLD Europe SCA (i) within 25 days of the end of each month, a financial business review and (ii) within 21 days of the end of each half-year period, a general business review including a consolidated accounting position and a new outturn forecast;

- *General meetings of shareholders*: throughout the term of the agreement, the parties will undertake to attend or arrange to be represented at the Company's general meetings of shareholders;

- *Intention of the parties:* the common intention of the parties to the agreement is to facilitate the Company's development by enabling it to implement the strategy presented at the time of the Company's IPO. As a result, HLD Europe SCA will undertake to inform Iseran Management if it is seeking to divest more than 10% of the Company's capital, regardless of the transfer method being considered. Nicolas d'Hueppe, if he is a corporate officer of the Company, will also be informed of any material discussion between HLD Europe SCA and any potential third-party buyer. In any event, the parties to the agreement will undertake to comply with stockmarket regulations applicable to transfers of the Company's shares;

- *Undertaking:* HLD Europe SCA will undertake not to enter into any agreement and more generally not to act in concert with any third parties with respect to the Company;

- *Proportional tag-along right:* in the event that HLD Europe SCA transfers shares in the Company representing more than 10% of the Company's capital, Iseran Management will have a proportional tag-along right enabling it to transfer shares on the same terms as the planned transfer;

- *Public tender offer:* in the event that a public tender offer is made and (i) Iseran Management states its opposition to the offer and (ii) HLD Europe SCA states its intention to accept it, HLD Europe SCA undertakes to give Iseran Management the necessary time, compatible with the timetable of the public tender offer, to obtain an alternative offer from a third party;

- *Shares held in registered form:* throughout the term of the agreement, each party will undertake to register the shares in the Company that it holds or comes to hold and keep them in registered form;

- *Term of the agreement:* the agreement will be formed for a term of three years, renewable by tacit agreement for further one-year periods. Exceptionally, the agreement will be terminated automatically if (i) HLD Europe SCA comes to own less than 10% of the Company's capital or (ii) Iseran Management comes to own less than 5% of the Company's capital.

- *Management of the agreement:* Iseran Management will be appointed as manager of the agreement.

6.1.4 Agreements that may lead to a change of control

At the date of the Registration Document, there was no agreement whose performance could lead to a change in the Company's control.

6.2 Judicial and arbitration proceedings

At the date of the Registration Document, the Company was not aware of any pending or potential governmental, judicial or arbitration proceedings that may have or have had in the past 12 months a significant effect on the Group's financial position or profitability.

6.3 Conflicts of interest at the level of the administrative, management and supervisory bodies and executive management

To the Company's knowledge, there is no actual or potential conflict of interest between the duties owed to the Group and the private interests and other duties of members of the Company's management and board of directors, as mentioned in section 4.1 above.

To the company's knowledge, at the date of the Registration Document, no restrictions have been accepted by the persons mentioned in section 4.1 above regarding the sale, within a certain period of time, of their equity stakes in the Company, subject to (i) certain lock-up undertakings formed with institutions underwriting the placement as part of the plan to admit the Company's shares for trading on Euronext Growth Paris (a description of which will be included in the prospectus relating to that transaction) and (ii) the provisions of the shareholder agreement described in section 6.1.3 of the Registration Document.

6.4 Related-party transactions

Parties related to the Group include shareholders in the Company, its non-consolidated subsidiaries, companies under joint control (proportionally consolidated companies), associates and entities over which the various Group executives have at least a significant influence.

The Company's subsidiaries distribute the Group's bundled and stand-alone offerings. For that purpose, the Company provides its subsidiaries with the following resources:

- the channel platform that publishes, operates, maintains and adjusts the stand-alone channels and bundled offerings and facilitates subscription management;
- the platform that enables rights owners, talents and media groups to use functions that give autonomy to participants in the value chain (Alchimie Studio);
- marketing performance tools: audience monetisation tools for advertising platforms such as Google and Facebook;
- services relating to aspects such as content curation, ergonomics and visual identity;
- customer service; and
- performance monitoring: analysis and management control.

The Company bills its subsidiaries for the use of platforms and shared teams used to distribute stand-alone channels and bundled offerings and for the provision of content resulting from video catalogues sourced from rights owners.

Please refer also to (i) section 2.3.2 of the Registration Document for a detailed description of the agreement relating to the Transferred Legacy Business between the Company and Cellfish SAS and (ii) section 4.2.1 of the Registration Document for a detailed description of the service agreement that will be formed between Iseran Management SARL and the Company.

Figures reflecting the relationships with these related parties are included in Note 8.3.1 to Aspin Management's consolidated financial statements for the financial years ended 31 December 2019 and 31 December 2018, presented in section 5.1 of the Registration Document.

In the financial years ended 31 December 2019 and 2018, as a simplified joint-stock corporation wholly owned by Aspin Management, the Company was legally and contractually exempt from the obligation to provide a statutory auditor's special report on regulated agreements with respect to those financial years.

6.5 Share capital

6.5.1 Current share capital

At the date of the Registration Document, the Company's share capital amounted to €3,500,000.00, divided into 100,000 shares with par value of €35.00 each, fully paid-up.

The Company's share capital consists solely of ordinary shares.

As part of the plan to admit its shares for trading on Euronext Growth Paris, the Company has decided to divide the par value of its shares.

For that purpose, a shareholders' general meeting will take place before the Autorité des Marchés Financiers approves the Prospectus relating to the admission of the Company's shares for trading on Euronext Growth Paris. Subject to shareholder approval, the par value of the Company's shares will be divided, increasing the number of shares making up the Company's share capital from 100,000 to 3,500,000 and reducing the par value of each ordinary share from €35.00 to €1.00.

6.5.2 Authorised capital

A general meeting of the Company's shareholders will take place before the AMF approves the Prospectus relating to the admission of the Company's shares for trading on Euronext Growth Paris, for the purpose of granting authority to carry out the financial transactions described above.

	Validity period/Expiry	**Upper limit (par value)**	**Method of determining the price**
Grant of authority to the Board of Directors to increase the share capital by issuing ordinary shares and/or any other securities giving immediate and/or future access to the share capital, with preferential subscription rights retained*	26 months	€2,000,000 (1)	
Grant of authority to the Board of Directors to increase the share capital by issuing ordinary shares and/or any other securities giving immediate and/or future access to the share capital, with shareholders' preferential subscription rights withheld and public offers (other than those provided for in Article L. 411-2 of the French Monetary and Financial Code) and with the ability to create a right of priority	26 months	€2,000,000 (1)	Refer to (2)

	Validity period/Expiry	Upper limit (par value)	Method of determining the price
Grant of authority to the Board of Directors to increase the share capital by issuing ordinary shares and/or any other securities giving immediate and/or future access to the share capital, with shareholders' preferential subscription rights withheld as part of public offers provided for in Article L. 411-2(1) of the French Monetary and Financial Code*	26 months	€1,000,000 (1) subject to a limit of 20% of the share capital per 12-month period	Refer to (3)
Grant of authority to the Board of Directors, in the event of a capital increase with shareholders' preferential subscription rights withheld or maintained, to increase the number of securities to be issued under the above grants of authority	26 months	subject to a limit of 15% of the initial issue amount (1) (4)	Same price as the initial issue
Grant of authority to the Board of Directors to increase the capital through the capitalisation of premiums, reserves, earnings or other items, by awarding new shares free of charge, to increase the par value of existing shares or to use those two processes jointly *	26 months	€500,000	-
Authorisation to be given to the Board of Directors to grant options to subscribe or buy shares under Articles L. 225-177 and following of the French Commercial Code*	38 months	105,000 shares (subject to a limit of 3% of the shares making up the Company's capital as measured immediately after the Company's shares are admitted for trading on Euronext Growth Paris) (5)	Refer to (6)
Authorisation to be given to the Board of Directors to award existing shares or shares to be issued free of charge under Articles L. 225-197-1 and following of the French Commercial Code*	38 months	105,000 shares (subject to a limit of 3% of the shares making up the Company's capital as measured immediately after the Company's shares are admitted for trading on Euronext Growth Paris) (5)	-
Authorisation to be given to the Board of Directors to arrange for the Company to purchase its own shares*	18 months	10% of the share capital	-

	Validity period/Expiry	Upper limit (par value)	Method of determining the price
Authorisation to be given to the Board of Directors to reduce the share capital by cancelling shares as part of the authorisation to arrange for the Company to buy back its own shares*	18 months	10% of the share capital in any 24-month period	-

** Subject to the non-retroactive condition precedent relating to the final setting of the price of the Company's shares in relation to their admission for trading on Euronext Growth Paris.*

(1) These amounts are not cumulative. The maximum upper limit of capital increases authorised by shareholders in the general meeting, in terms of par value, is €2,000,000. The combined nominal amount of issues of debt securities and securities giving access to the Company's capital may not exceed €30,000,000 million. This cap does not apply to debt securities, the issue of which must be approved or authorised by the Board of Directors according to Article L. 228-40 of the French Commercial Code.

(2) The issue price will be determined as follows:

- with respect to the capital increase to be carried out when the Company's shares are admitted for trading and first listed on Euronext Growth Paris, the subscription price for each new share shall result from comparing the supply of shares and the subscription demand expressed by investors as part of the bookbuilding process,

- after the Company's shares are admitted for trading and first listed on Euronext Growth Paris, the issue price of the shares shall equal at least the volume-weighted average price in the last three stockmarket trading sessions preceding the setting of the issue price, possibly minus a discount of up to 30% (it being stipulated however that if, when this grant of authority is used, the Company's shares were admitted for trading on a regulated market, the price would be set according to the provisions of article L. 225-136-1 of the French Commercial Code), taking into account their dividend entitlement date as appropriate and it being stipulated that the issue price of the securities giving access to the capital that may be issued under this resolution shall be such that the sum immediately received by the Company, plus the amount that may be received by the Company when those securities are exercised or converted, i.e. in respect of each share issued as a result of the issue of such securities, is at least equal to the minimum amount stated above;

(3) The issue price of the shares shall equal at least the volume-weighted average price in the last three stockmarket trading sessions preceding the setting of the issue price, possibly minus a discount of up to 30% (it being stipulated however that if, when this grant of authority is used, the Company's shares were admitted for trading on a regulated market, the price would be set according to the provisions of article L. 225-136-1 of the French Commercial Code), taking into account their dividend entitlement date as appropriate and it being stipulated that the issue price of the securities giving access to the capital that may be issued under this resolution shall be such that the sum immediately received by the Company, plus the amount that may be received by the Company when those securities are exercised or converted, i.e. in respect of each share issued as a result of the issue of such securities, is at least equal to the issue price defined above;

(4) 15% or any other fraction determined by regulations in force;

(5) These amounts are not cumulative; the maximum cumulative number of shares, authorised by shareholders in the general meeting, that may result from the exercise of share subscription options and bonus share awards is 105,000;

(6) From the time the Company's shares are admitted for trading on Euronext Growth Paris, the purchase or subscription price per share shall be set by the board of directors on the day on which the option is granted subject to the limits provided for by law, and cannot be less than ninety-five per cent (95%) of the average quoted price in the twenty stockmarket trading sessions before the decision by the Board of Directors to award the options, rounded up to the nearest euro cent or, in the case of options to purchase shares, less

than 80% of the average purchase price of the Company's own shares held by the Company, rounded up to the nearest euro cent.

6.5.3 Securities not representing capital

At the date of the Registration Document, the Company has not issued any securities not representing capital.

6.5.4 Share buybacks

At the date of the Registration Document, the Company does not own any of its own shares directly or through a third party on its behalf.

6.5.5 Potential capital

At the date of the Registration Document, the Company has not issued any securities giving access to the capital other than the ordinary shares described in section 6.5.1 of the Registration Document.

However, as part of the Reorganisation transactions described in section 2.3.2 of the Registration Document, ordinary shares in the Company will be issued, particularly as part of the transaction in which Aspin Management is merged into the Company, due to take effect on the settlement date of the shares offered as part of the admission of the Company's shares for trading on Euronext Growth Paris.

6.5.6 Terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital

None.

6.5.7 Information about any capital of any member of the Group that is subject to an option or a conditional or unconditional agreement to put it under option

None.

6.5.8 Changes in the Company's capital in the last two financial years

The Company's share capital has not changed in the last two financial years.

6.6 Memorandum and Articles of Association

6.6.1 Provisions allowing the delay, postponement or prevention of a change of control

The Company's articles of association contain no provisions allowing the delay, postponement or prevention of a change of control.

6.6.2 Crossing of statutory ownership thresholds

Provided that the Company's shares are admitted to trading on Euronext Growth Paris, other than threshold crossing disclosures expressly provided for by legislative and regulatory provisions in force, any natural or legal person that comes to hold directly or indirectly, alone or in concert, a proportion of the capital or voting rights (calculated in accordance with Articles L. 233-7 and L. 233-9 of the French Commercial Code and the AMF's general regulation) equal to or more than 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66% or 90% of the Company's capital or voting rights, must notify the Company of (i) the total number of shares and voting rights that the person holds, directly or indirectly, alone or in concert, (ii) the total number of securities that may eventually give access to the Company's capital that the person holds, directly or indirectly, alone or in concert and the voting rights that may potentially be attached thereto, and (iii) the total number of similar shares in accordance with Article L. 233-9(1) and (4)-(8) of the French Commercial Code. That notification must take place by registered letter with acknowledgement of receipt, within four stockmarket trading days from the time the disclosure threshold concerned is crossed.

The obligation to notify the Company also applies, subject to the same deadlines and the same conditions, where the shareholder's stake or voting rights fall below one of the aforementioned thresholds.

In the event that the aforementioned threshold crossing disclosure obligation is not complied with and at the request, recorded in the minutes of the general meeting, of one or more shareholders representing at least 5% of the Company's share capital or voting rights, the shares above the threshold that should have been notified shall be stripped of their voting rights until the expiry of a period of two years beginning on the date on which notice was properly given.

The Company reserves the right to give notice to the public and shareholders of either the information of which it was given notice or the fact that the relevant person or legal entity has not complied with the aforementioned obligation.

6.6.3 <u>Double voting rights</u>

Each share gives an entitlement to one vote. Subject to a condition precedent relating to the admission of the Company's shares for trading on Euronext Growth Paris, all fully paid-up shares that have been registered for at least two (2) years in the same shareholder's name shall carry double voting rights compared with the proportion of capital that they represent.

6.7 Material agreements

With the exception of the agreement described below, the Group has not entered into any material agreements other than those entered into during its normal course of business.

Agreement to provide services relating to the creation and operation of a mobile personalisation and entertainment portal (Video business)

<u>Purpose of the agreement</u>: Under an agreement formed on 1 January 2018, Orange appointed the Company to:

- develop a new portal providing mobile phone and smartphone customisation and entertainment services for Orange mobile customers;
- provide content associated with the new service's categories and manage the related intellectual property rights;
- host, manage and operate the back-end part of the new service;
- handle editorial co-ordination and promotion for the new service; and
- provide marketing assistance.

The new service portal allows Orange customers to consult the content library provided by the Company on the portal(s) operated by Orange, and to download, implement or use the content on a device in return for paying the retail price.

In return, Orange has undertaken to do the following throughout the term of the agreement:

- offer the service on the portal(s) operated by Orange;
- manage the sale, invoicing of content on Orange bills and collection of revenue arising from the sale of the Company's content to Orange subscribers;
- manage first-level support for Orange customers and subscribers;
- promote the service; and
- pay to the Company its share of the revenue from selling the content in return for fulfilling its contractual obligations.

Remuneration: In return for the Company's fulfilment of its contractual obligations, Orange pays a monthly sum to the Company corresponding to 70% of the revenue generated by the service.

In the agreement, the Company also warrants that Orange's share of revenue will be at least €400,000 (excluding VAT) at the end of each year.

Term of the agreement: The agreement came into effect on 1 January 2018 for a 1-year term, and is not renewable by tacit agreement. Any extension of the agreement requires a written supplementary agreement. A first supplementary agreement was formed on 5 October 2018, extending the agreement by one year until 31 December 2019, without altering its financial terms. A second supplementary agreement was formed on 5 August 2020 to extend the agreement by one year until 31 December 2020, including a provision to start a limited-term experiment aimed at offering Orange customers additional video entertainment content and enhancing the performance of the orange.fr portal business. In addition, at the date of the Registration Document, a new agreement is being discussed, covering the 2021-2023 period.

In the 2019 financial year, this agreement accounted for 4.92% of the Group's annual revenue.

7. DOCUMENTS AVAILABLE

Copies of the Registration Document are available free of charge from the Company's registered office at 43-45 avenue Victor Hugo, Le Parc des Portes de Paris, Bâtiment 264, 93300 Aubervilliers, France.

The Registration Document may also be consulted on the Company's website (www.alchimie.com) and on the AMF's website (www.amf-france.org).

The Company's articles of association, minutes of shareholders' meetings and other corporate documents, along with historical financial information and all appraisals or statements made by an appraiser at the Group's request, which must be made available to shareholders in accordance with applicable laws, may be consulted free of charge at the Company's head office.

From the time the Company's shares are admitted for trading on Euronext Growth Paris, regulated information within the meaning of the AMF's general regulation will also be available on the Group's website (www.alchimie.com).