

# PAL Next

HALF-YEAR REPORT

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# 2025

# ABOUT PAL NEXT AG

PAL Next Group is a broadly positioned entertainment group specializing in the creation and production of film and series content with a powerful focus on Artificial Intelligence (AI). Drawing on more than a decade of experience in producing award-winning films and series at PANTALEON Films and the expert team at Storybook Studios creating AI-generated content, PAL Next is promisingly positioned for advanced, leading-edge, contemporary entertainment.

The PAL Next Group cooperates with renowned partners such as Amazon, Apple, Netflix, Degeto as well as Paramount and Warner Bros. and Discovery. The Group is continuously expanding its market position for established and profitable film and series productions.

PAL Next AG is represented in Munich and Berlin and is listed on the Frankfurt Stock Exchange under the XETRA symbol PAL and ISIN DE000A12UPJ7.

For further information, please visit [www.pal-next.com](http://www.pal-next.com).

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# DEAR SHAREHOLDERS,



Stephanie Schettler-Köhler  
CEO

In the first half of 2025, the PAL Next Group focused squarely on the post-production of numerous productions. Accordingly, after a production-intensive previous year, we have prepared the ground for the wealth of new releases our viewers are accustomed to. Several top-flight projects from PANTALEON Films will be premiering in the upcoming months, both on the big screen as well as in streaming. In particular, the highlights of this release year include our cinema productions, which impressively demonstrate the diversity and creative power of PANTALEON Films.

## PAL NEXT PRODUCTIONS IN THE RELEASE YEAR 2025

Title	Date	Medium
DER TIGER (The Tiger)	September 18, 2025	Cinema / Prime Video at the end of the year
NO HIT WONDER	October 30, 2025	Cinema
DAS LEBEN DER WÜNSCHE	November 13, 2025	Cinema
ASBEST SEASON 2	Start date not yet determined	ARD Mediathek

With NO HIT WONDER, produced for Warner Bros. and featuring a top-notch cast – including Florian David Fitz and Nora Tschirner – we are bringing an electrifying and gripping story to the silver screen. In this tragicomedy, a burned-out singer ends up in a psychiatric clinic after a suicide attempt – where a happiness researcher persuades him to make a group of isolated people happy by singing, leading on to a bizarre, heart-warming adventure.

In co-production with ProU Producer United and SevenPictures, we are bringing DAS LEBEN DER WÜNSCHE to the movie theaters as a very special highlight: Matthias Schweighöfer is featuring in a leading role in a German film for the first time in seven years – while the world premiere is on the agenda of this year’s Zurich Film Festival. In the role of Felix, a family man in a midlife crisis, he is granted three wishes from a mysterious stranger – but with each wish fulfilled, he plunges deeper into a dark and destructive world.

In addition, the second season of our successful crime-thriller-drama series ASBEST will soon be back on ARD Mediathek to thrill the audiences. In this second season, after his uncertain escape attempt, protagonist Momo must decide whether to remain underground, turn himself in or betray his own family as persecution, corruption and revenge continue to escalate.

DER TIGER (The Tiger), an anti-war film produced in collaboration with Amazon MGM Studios, will go down as the first German Amazon Original film released in German cinemas where it started on September 18, 2025 and will be released worldwide on Prime Video at the end of the year. Set on the Eastern Front in the autumn of 1943, the anti-war film DER TIGER (The Tiger) follows a five-man Tiger tank crew on a secret mission behind enemy lines that evolves into a disturbing descent into fear, drug intoxication and moral decay.

These features are the visible results of our work over the past year – while at the same time providing a preview of the next chapters of PAL Next we will be writing.

Our Storybook Studios subsidiary is a key driver of innovation within the PAL Next Group, which made decisive progress in the course of our intensive research and development phase in the first half of 2025. The team is working on establishing its own workflows, combining technological innovation with narrative power, thereby putting down the foundations for projects that will be commercially exploitable and scalable in the future. At the same time, we are sensing increasing dynamics in discussions with the international film industry, which is showing ever more lively interest in hybrid production methods. The response confirms our intention to use Storybook Studios to gradually unlock the potential of artificial intelligence for the realization of artistic visions.

It is in the nature of our business model that the sales and earnings situation in the first half of the year does not yet reflect our intensified production activities: Economic value is only being created upon the completion of films and series. While numerous projects were still undergoing production in the first half of 2025, they will gradually be recognized in revenue and earnings as from the second half of the year onwards. At the same time, we have further streamlined our cost structures by focusing on our core business, thereby creating a solid foundation for future growth.

My special thanks go out to our employees, whose creativity, passion and perseverance make all of this possible. I would also like to thank you, dear shareholders, for your ongoing trust and support.

Together, we are shaping the future of PAL Next – with moving stories and innovations that are shaping the industry.

Kindest regards

A handwritten signature in dark ink, appearing to read 'S. Schettler-Köhler', followed by a long horizontal line extending to the right.

Stephanie Schettler-Köhler  
CEO

# PAL NEXT ON THE CAPITAL MARKET

## THE PAL NEXT AG SHARE

PAL Next AG shares are included in Scale, the EU-registered SME growth market in the Open Market of the Frankfurt Stock Exchange. Scale, Deutsche Börse's segment for small and medium-sized enterprises or SMEs, represents an alternative to the EU-regulated segments and enables access to investors as well as an efficient option of equity financing for young growth companies.

## SHARE PRICE PERFORMANCE IN THE FIRST HALF OF 2025

The first half of 2025 was characterized by high volatility and ongoing geopolitical uncertainty on the international capital markets. This was mainly due to the protectionist measures taken by the new US administration as part of its trade policy realignment. In addition, strong currency fluctuations and escalating tensions in the Middle East weighed on the market environment and resulted in pronounced uncertainty among investors, as well as temporary capital outflows from the USA. The fundamental reassessment of US trade relations, particularly with China and Europe, announced as part of the so-called „Liberation Day“ caused a significant market slump. The price losses, however, were short-lived and the international share indices stabilized significantly by the end of the second quarter. The German DAX, MDAX and SDAX selection indices in particular benefited from portfolio redistributions and shifts by institutional investors, having underperformed the US indices in previous years. At the same time, global geopolitical tensions and the resulting increase in defense budgets prompted strong capital inflows into defense and defense-related stocks. In Germany, the change of government and the associated, expected business-friendly investment programs brightened the mood in the economy.

On balance, US equities – as measured by the MSCI USA – gained 15.8% in the first half of 2025.<sup>1</sup> European equities – as measured by the MSCI Europe – were up by 19.1%.<sup>2</sup> The DAX recorded an increase of 17.1%.<sup>3</sup> The Scale All Share Index, in which the PAL Next share is included, recorded a rise of 10.4% in the same period.<sup>4</sup>

The shares of PAL Next AG opened the first half of the 2025 stock market year on January 2 at a price of EUR 1.16. The share reached its high (intraday) in the first half of the year on January 27, 2025 at EUR 1.35. The PAL Next AG share recorded its lowest listing on February 4, 2025 at EUR 1.11. Overall, the performance of PAL Next shares in the first half of the 2025 financial year followed the general rollercoaster ride on the capital markets with a positive conclusion of the quarter, closing at EUR 1.18 on June 30, up 0.9% (all figures based on Xetra prices).

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1 <https://www.msci.com/documents/10199/67a768a1-71d0-4bd0-8d7e-f7b53e8d0d9f>

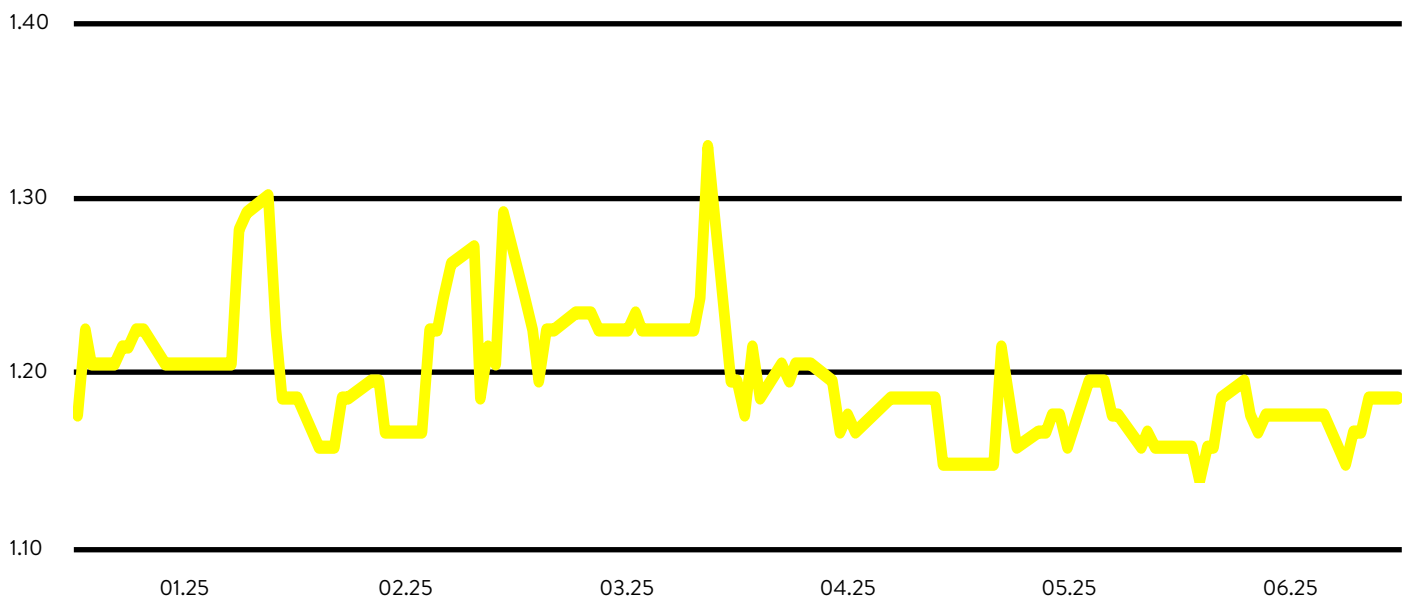
2 <https://www.msci.com/documents/10199/db217f4c-cc8c-4e21-9fac-60eb6a47faf0>

3 <https://www.boerse-frankfurt.de/index/dax-kursindex>

4 <https://www.boerse-frankfurt.de/index/scale-all-share-kursindex>

## SHARE PRICE PERFORMANCE IN THE FIRST HALF OF 2025

EUR



Within the first six months of 2025, a daily average of 3,000 PAL Next AG shares were traded on all German stock markets, as opposed to an average of 6.404 shares in the prior year period.

On June 30, 2025, the market capitalization amounted to approximately EUR 30.2 million based on 25,591,918 shares and a closing price of EUR 1.18 (all data based on Xetra prices).

### SHARE PRICE PERFORMANCE IN THE FIRST HALF OF 2025

Opening price	January 02, 2025	EUR 1.16
High	January 27, 2025	EUR 1.35
Low	February 04, 2025	EUR 1.11
Closing price	June 30, 2025	EUR 1.18
Market capitalization	June 30, 2025	EUR 30.2 million
Share price performance		+0.9%

As the designated sponsor, Hauck Aufhäuser Lampe Privatbank AG provides binding bid and ask prices, thereby ensuring the appropriate tradability of the PAL Next AG share. Interested investors will find further information in the Investor Relations area of the homepage at [pal-next.com](https://pal-next.com).

### SHARE INFORMATION

Stock exchange	Xetra, Frankfurt
Ticker symbol	PAL
Total number of shares*	25,591,918
Share capital*	EUR 25,591,918.00
ISIN	DE000A12UPJ7
WKN	A12UPJ
Market segment	Open market
Transparency level	Scale
Designated Sponsor	Hauck & Aufhäuser Lampe Privatbank AG

\*As of June 30, 2025

### INVESTOR RELATIONS

As a listed company, PAL Next AG is engaged in continuous dialog with investors, private investors and financial analysts as well as private and institutional investors. On the occasion of the publication of the 2024 Annual Report, PAL Next hosted an accompanying earnings call to explain the results and outline strategic developments in a direct exchange. The Management Board also presented the business model and strategy of

PAL Next AG both at the Hamburg Investor Day in August and at the German Equity Forum in Frankfurt in November. In addition, the Management Board presented the business development and strategy to a broad specialist audience at the Hamburg Investor Days (HIT) in August 2025 after the end of the first half of the year.

**ORDINARY ANNUAL GENERAL MEETING**

After the end of the reporting period, PAL Next AG held its Annual General Meeting on August 19, 2025, at the Haus der Bayerischen Wirtschaft as an in-person event. The shareholders voted unanimously in favor of all resolutions proposed by the management and approved the actions of the Management Board and Supervisory Board. At the time of the vote, 71.28% of the share capital was quorate. Stephanie Schettler-Köhler, CEO of PAL Next AG, presented a summary of developments in the past 2024 fiscal year and an outlook for the company’s future. She particularly highlighted projects that have already been completed, such as the anti-war film DER TIGER (The Tiger), which will be the first German Amazon Original film to be released in German cinemas on September 18, 2025, and will be followed by a worldwide release on Prime Video at year-end. She also gave shareholders a preview of two additional films PANTALEON Films (NO HIT WONDER, DAS LEBEN DER WÜNSCHE), set to hit theaters later this fiscal year. In addition, Stephanie Schettler-Köhler provided insights into the Company’s future prospects in AI-generated content, which will position PAL Next as an innovative and future-oriented media company for the long term.

The voting results of the 2025 Annual General Meeting are available on the company’s website at [pal-next.com](https://pal-next.com).

**ANALYST RESEARCH**

The shares of PAL Next AG were analyzed and evaluated by the renowned research company Montega in the reporting period. In their latest study, the analysts adjusted their rating for PAL Next shares to „Hold“ and set a price target of EUR 1.20. They substantiate this assessment with their perception of a balanced risk-opportunity distribution on the present share price level. They also take the company’s initiated AI transformation into account, the operational implementation of which will become more of a focus in 2025 and subsequent years.

UPDATE	INSTITUTE	ANALYST	RECOMMEN- DATION	PRICE TARGET
May 05, 2025	Montega Research	Ingo Schmidt	Hold (previously: Sell)	EUR 1.20 (EUR 1.00)

**SHAREHOLDER STRUCTURE**

As of June 30, 2025, the company is – over and above the shareholdings of management bodies and founding shareholders known to the company – aware of those shareholders who have submitted one or more notifications pursuant to Section 20 AktG. BlackMars Capital GmbH, based in Hofheim am Taunus, reportedly held more than 50% of the company’s shares throughout the entire reporting period.

**FINANCIAL CALENDAR 2025**

April 30, 2025
Annual Report 2024 & Earnings Call
August 19, 2025
Annual General Meeting
August 27 - 28, 2025
Hamburg Investor Day HIT
September 24, 2025
Half-Year Report 2025

Interested investors will find further information at [pal-next.com](https://pal-next.com).



# MACROECONOMIC AND INDUSTRY-RELATED FRAMEWORK CONDITIONS

The global economic situation and growth in Europe and Germany have a sizable bearing on the activities of the PAL Next Group with regard to the development, production and global exploitation of new films and series and the ensuing rights.

The global economy and global trade performed slightly better than originally expected in the first half of 2025. This was prompted to a large extent by businesses bringing forward transactions in anticipation of the import tariffs announced by the US government. The outlook for 2025 as a whole has also improved somewhat. One of the reasons for this is that the tariffs actually implemented are now in many cases lower than those announced in April. In addition, several major economies have introduced expansionary fiscal policy measures. Accordingly, the International Monetary Fund (IMF) raised its forecast for global growth slightly in 2025 as a whole from 2.8% to 3.0% in its latest economic outlook published in July 2025. However, this will still mean weaker growth than in the previous year. Global inflation will continue to decline. The greatest risks facing the global economy remain the ongoing geopolitical conflicts and heightened uncertainty regarding future US trade and economic policy.

With a look to the eurozone, the IMF is forecasting growth of 1.0% for 2025 as a whole. In April, the forecast still stood at 0.8%. By contrast, the German economy is once again expected to see comparatively low growth of 0.1% in the current year (April 2024: 0.0%). The German economy is unlikely to pick up appreciably until 2026 when growth is set to reach 0.9%.<sup>1</sup>

Market studies suggest that global investments in content will increase by 0.4% year-on-year, climbing to USD 248 billion in 2025. Video-on-demand services, including streaming providers such as Netflix, Apple TV+, Amazon Prime, Paramount+ and Disney+, will expand their investments by around 6% to a total of USD 95 billion, making them the largest funders of content. Thanks to the restrictions on the sharing of passwords and newly acquired rights to major sporting events, streaming providers succeeded in increasing their subscriber numbers in 2024 and are therefore in a position to make huge investments in content in the current year. In total, ad-financed and subscription-based services are expected to account for 39% of global investment in content in 2025.<sup>2</sup>

In July 2025, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) published its Global Entertainment & Media Outlook 2025-2029. According to the report, revenue in the global entertainment and media industry is set to grow by an average of 3.7% per year between 2025 and 2029, reaching a total of USD 3.5 trillion. PwC expects total revenues of USD 3.1 trillion in 2025. Of this, USD 0.9 trillion will be attributable to the most sluggish area of product purchases by consumers, USD 1.0 trillion to the fastest-growing area of advertising and USD 1.2 trillion to connectivity which still represents the largest portion of this market.<sup>3</sup>

The German cinema market again showed no improvement in the first half of 2025 compared to the previous year. The German Federal Film Board (FFA) attributes this to a lack of new blockbusters and is hoping for more positive growth in the second half of the year. Among other things, the FFA points to the successful launch of „Manitou's Canoe“ and upcoming blockbusters such as „School of Magical Animals 4“ and „Avatar: Fire and Ash“. A total of 40.6 million tickets were sold in the period from January to June 2025. This is almost 3% less than the 41.9 million sold in the previous year. Revenue exhibited a more positive trend. Thanks to higher ticket prices, it was almost stable at EUR 403.4 million compared to the previous year's figure of EUR 403.5 million. This remains a far cry from pre-pandemic levels. The number of movie theaters remained stable over the course of the first half of the year, thus continuing to underline the importance of a nationwide cinema offering for the population.<sup>4</sup>

<sup>1</sup> <https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025>

<sup>2</sup> <https://www.ampereanalysis.com/insight/streamers-to-spend-95bn-on-content-in-2025-surpassing-commercial-broadcasters>

<sup>3</sup> <https://www.pwc.com/gx/en/issues/business-model-reinvention/outlook/insights-and-perspectives.html>

<sup>4</sup> <https://www.ffa.de/pressemitteilungen-detailseite.html?meldung=ffa-kinobilanz-fuer-das-erste-halbjahr-2025-41-millionen-verkaufte-tickets-in-deutschland>

# COURSE OF BUSINESS

## RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

The current 2025 financial year is a release year for the PAL Next Group, after the previous year was marked by production activities associated with numerous projects. In the first half of 2025, the PAL Next Group worked on completing a wide variety of productions. These included two further films from PANTALEON Films, which will be released in theaters in the current financial year. NO HIT WONDER, produced for Warner Bros. and starring Florian David Fitz and Nora Tschirner, can be seen on the big screen from October 30, 2025. DAS LEBEN DER WÜNSCHE, co-produced with ProU Producer United in association with Seven Pictures, will be released on November 13, 2025. This film, starring Matthias Schweighöfer in his first starring role in a German feature film for seven years, will celebrate its world premiere at the Zurich Film Festival at the end of September. The second season of the hit series ASBEST will be available again on ARD Mediathek. The starting date has not yet been set. As the first German Amazon Original film, the anti-war film DER TIGER (The Tiger), produced in collaboration with Amazon MGM Studios, was released initially in German movie theaters on September 18, 2025 and will be available worldwide on Prime Video at the end of the year. DER TIGER (The Tiger) was completed in the 2024 financial year and recognized in revenue and profit or loss. Storybook Studios expanded its activities in the first half of 2025, honing its business model to enable it to realize commercially exploitable and scalable projects after a successful research and development phase. As conversations about AI-generated content gain momentum, there is discernible interest from the mainstream film industry, particularly in hybrid productions.

While the PAL Next Group will once again present the wealth of releases viewers are accustomed to in 2025, revenue for the film and series projects to be completed is scheduled to be recognized in the second half of 2025. Over the course of the first half of 2025, the PAL Next Group generated revenue of EUR 573 thousand (H1 2024: EUR 1,158 thousand), primarily from revenue participation in past projects. This means that the revenues and earnings position in the first half of 2025 does not yet reflect the previous year's productions. Projects under development led to an increase in inventories of EUR 39 thousand (H1 2024: increase of EUR 84 thousand). Total operating revenue plus other operating income totaled EUR 908 thousand (H1 2024: EUR 1,523 thousand).

The lower cost of materials of EUR 311 thousand (H1 2024: EUR 940 thousand) resulted in particular from lower production activity in the area of contract productions. The cost of materials includes expenditure for contract productions, co-producers' shares of licensing revenues for movie rights as well as retrospective expenses for completed projects. The costs for in-house productions and co-productions, on the other hand, are recognized as advance payments under intangible assets and 90% amortized in the year of completion.

The further decline in personnel expenses to EUR 910 thousand (H1 2024: EUR 1,188 thousand) is due in particular to the cost savings resulting from the focus on film and series productions in the previous year.

Depreciation and amortization, mainly on internally generated intangible assets, in particular in connection with completed and revenue-generating in-house productions, decreased in line with revenues to EUR 554 thousand (H1 2024 EUR 973 thousand). Amortization of purchased intangible fixed assets and depreciation of property, plant and equipment play only a minor role. No significant change in the utilization profile is expected over time. Other operating expenses fell to EUR 513 thousand (H1 2024: EUR 672 thousand).

Overall, EBIT decreased to EUR -1,380 thousand (H1 2024: EUR -2,250 thousand) due to lower sales revenue and the reduced cost structure.

The Group's total assets fell to EUR 70,350 thousand as at June 30, 2025 (December 31, 2024: EUR 72,318 thousand). The increase in fixed assets to EUR 24,740 thousand (December 31, 2024: EUR 22,751 thousand) resulted primarily from advance payments made for in-house and co-productions. The decrease in current assets to EUR 43,350 thousand (December 31, 2024: EUR 49,468 thousand) is due in particular to the production-related decrease in cash and cash equivalents to EUR 40,835 thousand (December 31, 2024: EUR 44,295 thousand). Trade receivables fell to EUR 357 thousand (December 31, 2024: EUR 1,119 thousand). Other assets, mainly from production-related receivables from foreign grants for UNWANTED, fell to EUR 1,722 thousand (December 31, 2024: EUR 3,656 thousand).

# OUTLOOK, RISK AND OPPORTUNITY REPORT

Consolidated equity decreased to EUR -2,189 thousand as at June 30, 2025 (December 31, 2024: EUR -763 thousand) due to the consolidated loss incurred. As a result, the equity ratio fell to -3.1% (December 31, 2024: -1.1%). The Company expects to be able to report positive consolidated equity for the PAL Next Group again in the further course of the year through the conversion of bonds from the convertible corporate bond issued in connection with the recognition of revenue from completed productions. In addition, liabilities to banks, in particular for ongoing or completed but not yet invoiced projects, in the amount of EUR 50,086 thousand (December 31, 2024: EUR 56,739 thousand) mainly reflect the UNWANTED project. Liabilities from the convertible corporate bond issued in December 2023 increased to EUR 3,306 thousand (December 31, 2024: EUR 3,056 thousand). Advance payments received on orders increased to EUR 15,337 thousand (December 31, 2024: EUR 11,400 thousand), mainly due to projects still in production but not yet completed. Trade payables rose to EUR 729 thousand (December 31, 2024: EUR 705 thousand). Other liabilities, in particular from revenue participations, decreased to EUR 768 thousand (December 31, 2024: EUR 854 thousand).

## FUTURE DEVELOPMENT OF THE PAL NEXT GROUP – FORECAST

The PAL Next Group is promisingly positioned to continuously expand its market share in film and series production. In this context, the entertainment market, which is expected to generate global revenues of USD 3.1 trillion, and increasing content investments by streaming providers continue to offer considerable growth potential. PANTALEON Films GmbH is developing and producing major movie and streaming projects for the domestic and international market. Storybook Studios is focusing on realizing further projects in 2025. The special form of accounting in the film and series production segment, as well as in general project business, leads to heightened susceptibility to fluctuations. These factors will continue to have a decisive influence on PAL Next's future revenue and earnings performance for the time being.

Based on the business performance to date in the first half of 2025 and on current project planning, the Management Board has slightly adjusted its forecast for the 2025 financial year. Accordingly, the PAL Next Group continues to expect revenue of between EUR 21 million and EUR 23 million. Total operating revenue plus other operating income is expected to amount to at least EUR 24 million in 2025. The Management Board now expects earnings before interest and taxes (EBIT) for the 2025 financial year to lie in a range between EUR -500 thousand and EUR +200 thousand (previously: EUR -300 thousand to EUR +200 thousand).

## RISK AND OPPORTUNITY REPORT

### OVERALL RISK

The opportunity and risk position of PAL Next AG has not changed materially compared to that presented in the 2024 Annual Report, page 20 et seq.

The risks described therein may potentially have a materially adverse effect on the financial position and performance of the PAL Next Group.

The Management Board assumes that, despite the current risk situation, solvency is more than likely guaranteed in the period under review. Nevertheless, the company points out that any sustained downturn in the earnings situation would result in liquidity risks which could jeopardize the company's continued existence.

#### REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

The Management Board is not aware of any events of particular significance with a material impact on the net assets, financial position and results of operations of the company after the balance sheet date.

#### FORWARD-LOOKING STATEMENTS AND FORECASTS

This report includes forward-looking statements which reflect the Management Board's current assessments and forecasts and the information currently available to it. These forward-looking statements involve risks and uncertainties and are based on assumptions that may prove to be inaccurate and may cause future developments and results to differ from the estimations and forecasts issued. These risks include, in particular, the factors specified in the Risk and Opportunity Report on pages 20 to 24 of the 2024 Annual Report. PAL Next AG accepts no obligation beyond its statutory requirement to update the forward-looking statements in this report.

Munich, September 22, 2025

A handwritten signature in dark ink, appearing to read 'S. Schettler-Köhler', followed by a long horizontal line extending to the right.

Stephanie Schettler-Köhler  
CEO

# CONSOLIDATED BALANCE SHEET

as of June 30, 2025

ASSETS	06/30/2025	12/31/2024
	EUR	EUR
<b>A. FIXED ASSETS</b>		
<b>I. Intangible assets</b>		
1. Internally generated industrial property, rights and similar and assets	1,188,486.00	1,727,806.00
2. Purchased concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	37,067.15	40,319.70
3. Advance payments made	23,493,333.61	20,955,526.01
	<u>24,718,886.76</u>	<u>22,723,651.71</u>
<b>II. Tangible fixed assets</b>		
1. Technical equipment and machinery	7,236.00	10,836.00
2. Other equipment, operating and office equipment	13,558.00	16,543.00
	<u>20,794.00</u>	<u>27,379.00</u>
	<b>24,739,680.76</b>	<b>22,751,030.71</b>
<b>B. CURRENT ASSETS</b>		
<b>I. Inventories</b>		
1. Work in progress	436,292.85	397,246.48
2. Advance payments	0.00	1,470.59
	<u>436,292.85</u>	<u>398,717.07</u>
<b>II. Receivables and other assets</b>		
1. Trade receivables	356,848.67	1,118,736.13
2. Other assets	1,722,288.11	3,655,888.58
	<u>2,079,136.78</u>	<u>4,774,624.71</u>
<b>III. Cash-in-hand, bank balances</b>	<u>40,834,756.68</u>	<u>44,294,883.63</u>
	<b>43,350,186.31</b>	<b>49,468,225.41</b>
<b>C. PREPAID EXPENSES</b>	<b>70,260.34</b>	<b>98,475.23</b>
<b>D. DEFICIT NOT COVERED BY EQUITY CAPITAL</b>	<b>2,189,419.66</b>	<b>762,801.53</b>
	<u><b>70,349,547.07</b></u>	<u><b>72,317,731.35</b></u>

EQUITY AND LIABILITIES	06/30/2025	12/31/2024
	EUR	EUR
<b>A. EQUITY</b>		
I. Subscribed capital	25,591,918.00	25,591,918.00
II. Capital reserve	18,602,595.94	18,602,595.94
III. Revenue reserves		
Legal reserve	14,268.80	14,268.80
IV. Consolidated unappropriated net loss	-46,398,202.40	-44,971,584.27
	-2,189,419.66	-762,801.53
Deficit not covered by equity capital	2,189,419.66	762,801.53
	<b>0.00</b>	<b>0.00</b>
<b>B. PROVISIONS</b>		
Other provisions	117,890.57	312,530.65
	<b>117,890.57</b>	<b>312,530.65</b>
<b>C. LIABILITIES</b>		
1. Bonds	3,305,771.00	3,056,421.00
2. Liabilities to banks	50,085,526.46	56,739,455.08
3. Prepayments received on orders	15,337,219.80	11,399,862.46
4. Trade payables	728,762.38	705,429.02
5. Other liabilities	767,680.86	853,943.67
- of which taxes EUR 26,223.52		
(previous year: EUR 178,651.35)		
	<b>70,224,960.50</b>	<b>72,755,111.23</b>
<b>D. DEFERRED INCOME</b>	<b>6,696.00</b>	<b>12,891.00</b>
	<b>70,349,547.07</b>	<b>72,317,731.35</b>

# CONSOLIDATED INCOME STATEMENT

for the period from January 1 to June 30, 2025

	01/01-06/30/2025	01/01-06/30/2024
	EUR	EUR
1. Revenue	572,525.47	1,158,096.21
2. Increase or decrease in finished goods and work in progress	39,046.37	84,291.11
3. Other own work capitalized	190,000.00	192,340.00
4. Other operating income	105,965.64	87,984.40
5. Cost of materials		
Cost of purchased services	311,429.41	939,654.73
6. Personnel expenses		
a) Wages and salaries	758,049.27	993,020.92
b) Social security, post-employment and other employee benefit costs	151,864.17	194,716.67
- of which from post-employment benefit costs EUR 9,401.82 (previous year: EUR 5,450.28)		
	909,913.44	1,187,737.59
7. Depreciation, amortization and extraordinary write-downs extraordinary write-downs of tangible and intangible fixed assets	553,703.00	972,746.41
8. Other operating expenses	512,604.33	672,132.86
9. Other interest and similar income	0.00	148,309.86
10. Interest and similar expenses	46,505.43	16,369.37
<b>11. Earnings after taxes</b>	<b>-1,426,618.13</b>	<b>-2,117,619.38</b>
<b>12. Consolidated net loss for the year</b>	<b>-1,426,618.13</b>	<b>-2,117,619.38</b>
<b>13. Consolidated net loss</b>	<b>-1,426,618.13</b>	<b>-2,117,619.38</b>
14. Consolidated net loss carried forward	-44,971,584.27	-41,578,020.83
<b>15. Consolidated unappropriated net loss</b>	<b>-46,398,202.40</b>	<b>-43,695,640.21</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2025

## GENERAL DISCLOSURES

The company is entered in the commercial register of the Munich District Court as PAL Next AG under commercial register sheet number 235252 and headquartered in Munich. Its address is: PAL Next AG, Holzstraße 30, 80469 Munich, Germany.

In preparing its consolidated financial statements, PAL Next observes the provisions in recognition, measurement and disclosure set out in the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

Where there is an option to make disclosures in the balance sheet or in the notes to the financial statements, the option was taken to disclose in the notes to the financial statements.

The income statement was prepared using the nature of expense method.

The company's shares have been listed in Deutsche Börse's "Scale" segment since March 1, 2017.

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

## CONSOLIDATION METHODS AND CONSOLIDATED GROUP

The consolidated group encompasses all subsidiaries in which PAL Next AG holds a majority of the voting rights, either directly or indirectly.

## FULLY CONSOLIDATED COMPANIES

The consolidated financial statements include the parent company PAL Next AG and the following subsidiaries:

Company	Interest %
PANTALEON Films GmbH, Munich	100.00
Storybook Studios GmbH, Munich	100.00
PANTAFLIX Technologies GmbH, Berlin	100.00
<b>The Special Squad UG, Munich*</b>	<b>100.00</b>

\* wholly-owned subsidiary of PANTALEON Films GmbH

## CONSOLIDATION METHODS

The fiscal year of the Group and all its consolidated entities is the calendar year, as a consequence of which the reporting date of the separate financial statements of all entities included in the consolidated financial statements is the same as the reporting date of the consolidated financial statements.

Capital is consolidated applying the revaluation method. Accordingly, the acquisition costs of investments are offset against the fair value of the acquired assets and liabilities under disclosure of all hidden reserves, including those attributable to non-controlling interests, at the date of the acquisition of the shares. Increases or decreases in interests in subsidiaries are recognized directly in equity, in the capital reserve.

Receivables, liabilities and other obligations between consolidated entities are offset against each other. Internal revenues and other income from relationships between consolidated entities are offset against attributable expenses, unless these are of only subordinate importance for the presentation of a true and fair view of the Group's results of operations.

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

## ACCOUNTING POLICIES

were prepared in accordance with uniform accounting policies. The separate financial statements included in consolidation were prepared in euros.

The accounting and valuation methods applied to the interim consolidated financial statements correspond to the methods presented in the consolidated financial statements as at December 31, 2024. The interim consolidated financial statements as at June 30, 2025 should therefore be read in conjunction with the consolidated financial statements as at December 31, 2024.



**DISCLOSURES AND NOTES ON INDIVIDUAL ITEMS OF THE CONSOLIDATED BALANCE SHEET**

Intangible assets in the reporting period include borrowing costs of EUR 185 thousand (H1 2024: EUR 21 thousand), capitalized as costs of production.

All receivables and other assets are due within one year, as in the previous year.

Other provisions relate mainly to outstanding invoices. Furthermore, costs for the preparation and auditing of the financial statements as well as holiday accruals are reported.

The liabilities report the following remaining terms:

EUR thousand	Total	less than 1 year	1 - 5 years	more than 5 years
Bonds	3,306 (2024: 3,056)	0 (2024: 0)	3,306 (2024: 3,056)	0 (2024: 0)
Liabilities to banks	50,086 (2024: 56,739)	50,086 (2024: 56,739)	0 (2024: 0)	0 (2024: 0)
Advance payments received on orders	15,337 (2024: 11,400)	15,337 (2024: 11,400)	0 (2024: 0)	0 (2024: 0)
Trade payables	729 (2024: 705)	729 (2024: 705)	0 (2024: 0)	0 (2024: 0)
Other liabilities	768 (2024: 854)	768 (2024: 854)	0 (2024: 0)	0 (2024: 0)
<b>Total</b>	<b>70,225</b> (2024: 72,755)	<b>66,919</b> (2024: 69,699)	<b>3,306</b> (2024: 3,056)	<b>0</b> (2024: 0)

Based on the authorization of the Annual General Meeting on July 21, 2022, the company's Management Board resolved on September 29, 2023, with the approval of the Supervisory Board, to issue a 3.0% interest-bearing convertible corporate bond with a total nominal value of up to EUR 8,000,000, divided into up to 8,000 bearer bonds with a nominal value of EUR 1,000 each. In the reporting period, bonds of EUR 249,350 (2024: EUR 3,050,421) were issued, of which EUR 0 (2024: EUR 26,000) were converted into 0 no-par value shares.

#### NOTES TO THE INCOME STATEMENT

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

#### OTHER DISCLOSURES

##### MANAGEMENT BOARD

■ STEPHANIE SCHETTLER-KÖHLER, businesswoman, Munich

The Management Board has the power of sole representation and is exempt from the restrictions of Section 181 of the German Civil Code (BGB).

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

##### SUPERVISORY BOARD

■ MARCUS BORIS MACHURA, Attorney  
(Chairman of the Supervisory Board)

■ KERSTIN TROTTNOW,  
Director Finance & Accounting Thinkproject Holding GmbH  
(Deputy Chair of the Supervisory Board)

■ NICOLAS SEBASTIAN PAALZOW,  
Independent Management Consultant  
(Member of the Supervisory Board)

#### NUMBER OF EMPLOYEES

In the reporting period, the PAL Next Group employed an average of 19 persons (2024: 83).

Munich, September 22, 2025



Stephanie Schettler-Köhler  
CEO

# DISCLAIMER AND IMPRINT

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