



MEDIAWAN

MEDIAWAN: FINAL AGREEMENTS IN CONNECTION WITH THE ACQUISITION OF A MAJORITY STAKE IN ON ENTERTAINMENT AND 1ST QUARTER 2018 REVENUES

- Final agreements in connection with the acquisition of a 51% stake in ON Entertainment, gathering:
 - the 'kids & family' animation business – European animation leader – managed by Aton Soumache
 - the live sector 'Chapter 2' directed by Dimitri Rassam, behind the franchise 'Papa ou Maman' and the feature film 'Le Prénom'
- Groupe Mediawan quarter revenues at €42.7 million, in line with expectations and full-year target
 - strong performance from Distribution and Channels & Digital historical business units
 - contribution from Production activity in accordance with the delivery timetable for the year
- Further operating developments across all core business lines and production line-up reinforced

Paris, 16 May 2018, 7.30 am - Mediawan (ticker: MDW - ISIN: FR0013247137), an independent European audiovisual content platform, announces today the execution of the final agreements regarding the purchase of a 51% stake in ON Entertainment.

These agreements are the results of the exclusive negotiations announced on December 17, 2017, enabling the parties to finalise the operation's terms, in particular by enlarging the acquisition's perimeter by including not only the animation business with 'ON kids & family' – animation production European leader – but also its live sector dedicated subsidiary 'Chapter 2', managed by Dimitri Rassam.

Mediawan also announces its consolidated revenues for the first quarter of 2018 as below detailed, integrating a break down by business segment in accordance with IFRS 15 standards (applicable as of 1 January 2018):

€m	Production	Distribution	Channels & Digital	Consolidated total
Revenues	6.0	9.7	27.0	42.7

The recorded revenues are in line with the expectation and in accordance with management's expectations and in line with full-year targets. This performance reflects the delivery timetable for audio-visual programs and the opening up of right entitlements during the first 3 months of 2018.

Pierre-Antoine Capton, Mediawan's Chairman, says: *"The first quarter of the year was decisive in terms of Mediawan's development, in particular thanks to the structural acquisitions carried out. The agreements with ON Entertainment is a major step stone for the group shooting therefore becoming a European leader. In terms of financial performance, first-quarter revenues confirm the sturdiness of our "Channels & Digital" activity and our Distribution platform. As expected, most of the Production's revenues will be generated over the next quarters, during which most of the programs for 2018 will be delivered.*

1. Final agreements in connection with the acquisition of a 51% stake in On Entertainment

Terms of agreement

Pursuant to the exclusive negotiations announced on 17 December 2017, Mediawan signed the final agreements in connection with the purchase of a majority stake in ON Entertainment:

- enlarging the acquisition's perimeter (initially limited to the animation business of ON kids & family), now embracing the group as a whole, including Chapter 2, the live subsidiary, managed by Dimitri Rassam;
- incorporating Groupe AB's 5%, Mediawan will hold 51% pro forma share capital stake, alongside the founders and remaining managers;
- total cash out of €51 million for Mediawan, for the acquisition of shares and a €16 million share capital increase;
- the co-founders Aton Soumache and Dimitri Rassam, remain shareholders in ON kids & family and join forces with Mediawan in order to develop growth in France and abroad. Part of their stake will be converted into Mediawan shares (up to 1,000,000 shares to be issued, which will bring Mediawan's ownership in ON Entertainment's share capital to 60-65%.

The transaction should be finalized within the coming weeks, closing being subject to the lifting of the usual condition precedents for this type of transaction.

On Entertainment, European leader of premium content

ON Entertainment produces major international audiovisual creations by developing emblematic brands with considerable commercial possibilities, and will keep on developing high-end content via the creation of powerful franchises and the management of world-renowned intellectual property:

- leader in the production of kids & family animated content, a sector seeing buoyant global growth, the ON Entertainment group's strength is its ability to capitalize on both a strong portfolio of pre-existing brands based on classical works from European and international cultural heritage (*The Little Prince*, *Playmobil*, *Robin Hood*, *Peter Pan*, *Tall Tales*, *Little Nick*, *Chaplin*, *Iron Man*) and innovative original creations with substantial global potential thanks to its unique know-how (*Miraculous Ladybug*, *Zak Storm*, *Seven & me*, *Mune*, etc.).

Based on its animation series production's expertise and its worldwide-known characters, the Group has then entered with success into animation movies with *The Little Prince* (July 2015), or *Tall Tales* (December 2017). Via its ON Animation Studios entity, the Group is currently producing the *Playmobil* animated film in its Montreal studios. This is the first part of a worldwide franchise, has an \$80 million budget and is due for global release in April 2019. It is being directed by Lino Di Salvo, who has already worked on the animation of *Frozen* and *Raiponce* for Disney.

- Additionally, On Entertainment is a key leader in the 'live' production activity, with its division Chapter 2, managed by Dimitri Rassam, who contributed to several public successes, such as *Papa ou Maman* (TV series and feature films), *Le Prénom* or *Le Brio*.

As for the animation sector is concerned, Chapter 2's strength is to create successful brands able to be internationally exported via multi format adaptations, remakes or international sales.

The Group's brands, developed in-house or under copyright or with strategic partners, whether television series or feature films, also generate considerable Licensing & Merchandising revenue. By working, prior to the financing of its projects, with leading toy manufactures on this market (*Playmobil*, *Bandai*, *Playmates* or *Hape Toys*), and through the setting up of strong partnerships, ON Entertainment has put the Licensing & Merchandising aspect at the very heart of its strategy.

Thanks to its 5 strategic studios located in Paris, Montreal, Luxembourg, Los Angeles and Hyderabad (India), which have more than 500 staff between them, ON Entertainment is capable of attracting the most talented people and raising substantial financial resources. It brings together creators and partners to develop brands via various formats: cinema & television, merchandising, publishing and digital.

Today, ON Entertainment has established itself as a major European player in the creation and production of animated content for children and families, for television, cinema and digital platforms.

2. Revenues as of 31 March 2018

Revenues for the first quarter came to €42.7 million matching the expectation and in accordance with management's expectations and in line with full-year targets.

These revenues include the contribution to finalize acquisitions during the quarter: Storia Télévision (January 15th) and Makeover (March 15th). In light of these acquisitions, which have made Mediawan the No.1 fiction producer in France, the Management Board wanted to redefine the group's business segments by separating Production activities.

Production

Production revenues include new deliveries of programs and revenues from secondary sales of programs produced by the Group, net of distribution fees.

As of 31 March 2018, Production revenues recorded €6.0 million, reflecting the expected program delivery timetable for 2018 (new deliveries of programs during the period mainly correspond to the last five episodes of *Section de Recherches* – season 12).

The production timetable forecast that most programs delivery should occur during the second semester, and in particular during the last quarter of the year.

Numerous projects are already under development or in production, such as: season 2 of *Black Spot*, season 6 of *Captain Sharif*, the first season of *Noces Rouges*, the TV series adaptation of *Arthur et les Minimoys*, as well as the pursuance of the *Apocalypse* history documentaries. The Group also co-produced *I'm not an easy man*, the first French "Netflix Original" available on the platform since early April.

Mediawan is aiming to continue with and step up its strategy of producing premium content, creating new brands and valuable intellectual property, as well as capitalising on its existing series. The large success of the 12th season of *Section de Recherches* and the first season of *The Red Band Society*, attracting an average audience above 25%, series of which the next season currently being written, confirmed these series strength during the first quarter.

Distribution

Distribution revenues are primarily composed with (i) sales of rights acquired by the Group and (ii) distribution fees charged from the sale of rights by the Group's production companies or by third parties.

Revenues during the period came to €9.7 million, a strong increase compared to 2017. These sales were mainly driven by French broadcasters (TF1, FTV and M6) and stem from Group's produced rights (*Alice Nevers*) as well as acquired rights (Paramount's movies, *Friends*, *Rex*,...). Besides, several sales have been concluded with international players such as Moviestar, Discovery channel, Sky Deutschland, Mediaset, NBCU, AMC, and Bilibili.

Mediawan keeps on meeting with the ever-growing demand for European contents thanks to sales of premium French productions to leading worldwide players. For example, AB International Distribution has agreed with Amazon to deliver on the streaming platform -Prime Video- specifically targeted programs for French-speaking Europe, which rights, owned by the Group, have already received a huge success with the public and are now attracting SVOD operators.

The Group has also recently announced French rights's sale of the series *Babylon Berlin* (16x45') to the Canal+ Group. The series will be broadcasted on Canal+ in 2018 and was showcased during the closing ceremony of the "Série Mania" festival in Lille on May 5th.

Channels and Digital

During the first three months of 2018, the Channels & Digital division generated revenues of €27.0 million, comprising primarily with (i) incomes from royalty fees of €18.6 million and (ii) advertising revenues of €6.0 million.

The increase's in revenues compared to the 1st quarter of 2017 is attributable to a 1% growth of royalty fees and a 4% growth of advertising revenues.

Advertising revenues increased despite difficult market conditions in Belgium, counterbalanced with primarily good audiences. The new ABXplore channel achieved in particular an audience share of above 4% among men aged 18-44 (increase of 229% since launching).



Income from royalty fees incorporates new terms in contracts renewed this year, as well as development related to the channel offer. This development is continuing during the next quarter with a partnership with Bouygues Telecom in connection with the launch of its new "Bbox 4K", on which the *Ultra Nature* channel will be UHD broadcasted. The Group is also associated with Salt -mobile operator in Switzerland- in connection with the launch of a fixed network service to provide nine of its channels (*RTL9, AB1, Mangas, AB Moteurs, Science & vie TV, Toute l'Histoire, Chasse & Pêche, Trek* and *Animaux*).

Lastly, the Group carried on with its strategy of developing content dedicated to eSport, global phenomenon gathering an ever-growing number of participants, audience and economic issues. Apart from the acquisition of the rights to the Overwatch League, the Group also exclusively broadcasted the final stages of the *Gfinity Elite Series*, based on the famous fighting game *Street Fighter V* - flagship and multi-generational Capcom licence- on its *Mangas* channel.

2018 Outlooks

Mediawan will pursue its growth strategy, with a number of well identified levers notably an important line-up, support the 2018 good perspective, with a target pro forma revenues at €270 million.

3. First quarter highlights

External growth

During the 1st quarter of 2018, Mediawan finalised the acquisition of EuropaCorp's television on-going business, as well as the acquisition of a majority stake in the Makever Group.

The other acquisition announced, namely the announcement of exclusive discussions concerning the acquisition of 60% of Mon Voisin Productions, is to be finalized during the course of the 2nd quarter of 2018.

Other significant events

On March 19, 2018, Mediawan signed up for a €45.0 million bridge loan with a maturity of 18 months. This credit facility, which has not yet been drawn, will enable the Group to finance future acquisitions and increase its financial flexibility.

Next financial press release: revenues and financial results as of 30 June 2018, no later than 30 September 2018.

About Mediawan

Mediawan was incorporated in December 2015 as a Special Purpose Acquisition Company (SPAC) for the purpose of acquiring one or more targeted operating businesses or companies in the traditional and digital media content and entertainment industries in Europe. The Company was formed by Pierre-Antoine Capton, Xavier Niel and Matthieu Pigasse, and raised €250 million in April 2016 from an initial public offering on the Euronext regulated market in Paris.

In March 2017, Mediawan acquired Groupe AB and thus became an independent leader in audiovisual content in French-speaking Europe. The Group is active in the production and distribution of television series, TV movies, cartoons and documentaries and in the publication of TV channels and associated digital services.

With the acquisition of CC&C in July 2017, the entering into exclusive talks with ON kids & family in December 2017, the acquisition of EuropaCorp Television's business (excluding US series) in January 2018 and the acquisition of a majority stake in Makever on 15 March 2018, Mediawan continued its growth strategy in international content in the field of fiction, documentaries and animated content.

**Disclaimer**

This document may contain forward-looking statements. Although Mediawan believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ. As a result, you should not rely on these forward-looking statements.

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