



Press Release

Paris, July 18, 2023

Revenues for the first half of 2023

Strong increase of sales: +25%

New productions and developments: +44%

Strong growth in servicing, with high-value productions for major platforms

New adult segment accounting for 40% of sales

A first half confirming the success of the Group's strategic objectives

Total operating revenue above €20 million

Xilam Animation, Academy Award®-nominated French animation studio, announces its revenues for the first half of the 2023 financial year, drawn up on 30 June 2023.

Marc du Pontavice, Chairman and CEO of Xilam, comments: "The first half of the year, with a very sharp rise in new productions sales, reflects Xilam's strong recognition by international platforms, with emblematic, high-value servicing, particularly in the teen-adult segment. As the undisputed French leader in the animation market, Xilam has all the assets needed to keep up with the sector's growth over the coming years."

('000 euros)	30.06.2023 ⁽¹⁾	30.06.2022	% variation
Sales of new productions and developments	13,954	9,696	+44%
Sales of catalogue	3,709	4,467	-17%
Total sales ⁽²⁾	17,663	14,163	+25%
Grants ⁽³⁾	2,317	3,483	-33%
Total sales and grants	19,980	17,646	+13%
Other current operating revenue (including ATC ⁽⁴⁾)	619	1,603	ns
Total operating revenue	20,599	19,249	+7%

⁽¹⁾ Unaudited data

⁽²⁾ Sales only, excluding grants

⁽³⁾ Total grants (new productions and catalogue)

⁽⁴⁾ Estimated Audiovisual Tax Credit (ATC)



Very good performance from new productions and development in the first half of 2023

Sales of new productions and development amounted to €13.9 million, up sharply (+44%) in the first half of 2023, with a 55% increase of the Xilam scope alone, illustrating continued strong growth in sales to platforms, driven by the new teen-adult segment and servicing. This growth is mainly driven by an increase in value. These figures illustrate Xilam's winning strategy of diversifying its offer to all audiences (from pre-schoolers to families and young adults) and all genres (comedy, horror, action-adventure), while at the same time taking an early lead in the market driven by major platforms.

Cube Créative's contribution was down due to an order book still being rebuilt.

Catalog sales amounted to €3.7 million. Considering an unfavourable base effect (+78% in H1 2022), they are down by 17%, but remain 49% higher than in H1 2021.

Total sales, excluding grants, rose by 25% to €17.7 million. International sales amounted to 86%, with streaming platforms accounting for 75%. Teen-adult production represented a very high proportion of sales (40%), reflecting the Group's successful positioning in this promising segment. As announced, the proportion of servicing will be particularly high in 2023 and 2024, given the new contracts signed. In the medium term, however, the Group is aiming for a more balanced split between its proprietary production and servicing.

Subsidies fell by 35% to €2.3m, reflecting the switch from proprietary production in favour of servicing. For the same reasons, the audiovisual tax credit fell by 38% to €0,6 million.

Total operating revenue exceeds the €20 million mark, up +7%.

A high level of production activities

During the first half, Xilam worked on 10 series in production, including:

- 5 proprietary productions: the 4th season of *Zig and Sharko*, the 2nd season of *Magoo*, the 4th season of *Athleticus*, the 2nd season of *Lupin's Tales* and the 1st season of *Potobot*, an ecological comedy for children.
- 5 in servicing: 2 for Netflix, *Twilight of the Gods*, an epic genre for a young adult audience, and *The Seven Bears*, a 3D series for a family audience (Folivari production); 2 for Disney+, *The Doomies*, an horror comedy genre for a teen audience, and the 2nd season of *Chip'n Dale (Tic et Tac)*, for a family audience; 1 for France télévisions *My life in Versailles* for a family audience (*Films Grand Huit* production).

The production of *Twilight of the Gods* is particularly illustrative of Xilam's success with major platforms. This series, directed by the emblematic Zack Snyder, is designed for young adults, with a very high quality of production and a budget per episode well above average.

As a result, the Group intends to pursue its strategy of upgrading and diversifying its offering.

Acceleration of the CSR roadmap

On the back of the Annecy International Animation Film Festival, the CNC (Centre National du Cinéma) presented a report on the trends of the French animation market and its players, that emphasizes that Xilam

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group is by far the first animation studio for the 2018-2022 period with a total of 180 hours of created content (excluding servicing).

The Group also launched the *Metamorphose* ambitious project, which was awarded at « La Grande Fabrique de l'image » project competition as part of the France 2030 plan. This project will enable Xilam to boost its CSR roadmap, including an investment of €2.5 million over the period 2023-2024 for the environmentally friendly transformation of its IT infrastructure and production activities.

In concrete terms, Xilam has started to replace its servers with higher-performance, energy-efficient ones. The group is also investing in new data storage solutions whose technology not only optimizes flows and secures the production of its series, but also significantly reduces energy consumption. Finally, it is upgrading its IT processes by adopting more effective and less energy-consuming software development practices. This policy, designed to promote new eco-friendly practices, has been introduced throughout the Group. By the end of 2023, Xilam will publish figures to measure this green transformation of its IT infrastructure and production activities.

Xilam has thus equipped itself with the resources necessary for sustainable growth, in line with the objectives of its *Ambition 2026* plan, which aims to generate total operating revenue of €80 million by this date.

Agenda

Publication of H1-2023 results: 28 September 2023 (after market closing)

About Xilam

As a major player in the animation industry, Xilam is an integrated studio founded in 1999 that creates, produces and distributes original programmes in more than 190 countries for children and adults, broadcast on television and on SVoD (Netflix, Disney+, Amazon, etc.) and AVoD (YouTube, Facebook, etc.) platforms. With a global reputation for creativity and its capacity for innovation, an editorial and commercial expertise at the forefront of its industry, Xilam is positioned as a key player in a fast-growing market. Each year, Xilam, builds on its real successes and capitalises on powerful historical brands (*Oggy and the Cockroaches*, *Zig & Sharko*, *Chicky*, etc.) and new brands (*Oggy Oggy* in the pre-school sector, *Mr. Magoo*, *Karate Sheep*, etc.) which are consolidating and expanding a significant catalogue of more the 2,700 episodes and 3 feature films including the Oscar-nominated *I Lost My Body*. Xilam has unique GCI skills. Xilam employs more than 600 people, including 400 artists, across its studios in Paris, Lyon, Angoulême and Hô-Chi-Minh in Vietnam and has been ranked first French animation studio for the 2018-2022 period by a CNC report.

Xilam is listed on Euronext Paris Compartment B - PEA - SRD long Eligibility.

ISIN : FR0004034072, Mnemo : XIL



Lauréat

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