



Press Release

Paris, 4 December 2023, 6pm CET

Projected capital increase with preferential subscription rights

Project limited to less than 20% of Xilam Animation's capital, for a maximum amount of 6 million euros

Objective to optimize the financial structure of Xilam Animation in a context of increasing debt costs and tighter lending conditions

Operation guaranteed up to 75% by Marc du Pontavice, MDP Audiovisuel and Xilam Group

Operation subject to obtaining a waiver from the AMF, from the obligation to file a public offer project

Xilam Animation, Academy Award®-nominated French animation studio, announces its intention to carry out a capital increase in cash, with preferential subscription rights, in the coming weeks. This projected capital increase is subject to receiving a waiver from the French Financial Markets Authority ("AMF") from the requirement to file a public offer and it will involve the issuance of new shares representing less than 20% of the company's capital, up to a maximum of 982,299 new shares, for a maximum amount of 6 million euros. Xilam Animation's Board of Directors has sub-delegated to the CEO the power to determine the terms and conditions of this capital increase, pursuant to the fifteenth resolution of Xilam Animation's Ordinary and Extraordinary General Meeting of 23 June 2022.

Pursuant to the provisions of Article 1 paragraph 5 of the Prospectus Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, this right issue will not result in a Prospectus subject to the approval of the AMF, as the capital increase represents less than 20% of the number of shares of the same class already admitted to trading on the regulated market.

Following the repayment of a €15m EuroPP in July 2023, the Company's debt is currently mainly self-liquidating, and is therefore backed by ongoing production ([see Xilam Animation press release dated 26 October 2023](#)). The funds raised through this projected capital increase are intended to enable the Company to optimize its financial structure by rebalancing its balance sheet and improving its debt-to-equity ratio, in a context of increasing debt costs and tighter lending conditions.

For information, Marc du Pontavice, holds directly and through MDP Audiovisuel (421 603 473 RCS Créteil) and Xilam Group (539 985 788 RCS Créteil) (Marc du Pontavice, MDP, Audiovisuel and Xilam Group, together the "Concert"), 1,817,838 shares in Xilam animation, representing 37.01% of the capital, and 3,606,176 voting rights representing 53.58% of the exercisable voting rights and 52.96% of the theoretical voting rights. The members of the Concert will guarantee, pro rata to their respective shareholdings, 75% of the Capital Increase, in the event that other shareholders of Xilam Animation do not participate in whole or in part in this operation.

Shareholders who do not exercise their preferential subscription rights will experience dilution of their stake in Xilam Animation's capital, in a proportion to be disclosed at the time of the potential launch of the operation.



The capital increase is subject to obtaining an exemption from the AMF from the obligation to file a public offer project, based on article 234-9, 6° of the general regulations of the AMF. Following the capital increase, on the one hand MDP Audiovisuel alone could cross the threshold of 30% of the capital and increase its holding of theoretical voting rights, currently between 30% and 50% of the Company's total voting rights, by at least 1% in less than twelve consecutive months, and on the other hand the Concert, which currently holds between 30% and 50% of the Company's share capital, could increase its holding of equity securities by at least 1% in less than twelve consecutive months. Each condition would trigger the obligation to file a draft public offer in accordance with articles 234-2 and 234-5 of the AMF's General Regulations.

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) and AVoD (YouTube, Facebook) platforms. With a global reputation for creativity and innovation, coupled with cutting-edge editorial and commercial expertise, the company has cemented its position as a key player in a fast-growing market. Every year, Xilam builds on soaring successes and capitalises on flagship franchises (Oggy and the Cockroaches, Zig & Sharko, Chicky) as well as new brands (Oggy Oggy, Mr. Magoo, Karate Sheep), which are strengthening and expanding a substantial catalogue of more than 2,800 episodes and three feature films, including the Oscar-nominated *I Lost My Body*. Xilam has unique CGI skills and employs more than 600 people, including 400 artists, across its studios in Paris, Lyon and Angoulême in France and Ho Chi Minh City in Vietnam. Xilam was ranked France's leading animation studio for the 2018-2022 period in a report by the French national centre for cinema and animation (CNC).



Label: Xilam
ISIN: FR0004034072
Mnemo: XIL
Number of ordinary shares comprising the capital: 4 911 500 shares



Contacts

Marc du Pontavice – Chairman and CEO
Cécile Haimet - CFO
Phone: +33 (0)1 40 18 72 00

Image Sept Agency
xilam@image7.fr
Karine Allouis (Media Relations) – Phone +33 (0)1 53 70 74 81
Laurent Poinot (Investor Relations) +33 (0)1 53 70 74 77