



Press release

Paris, 11 January 2024

Successful capital increase with preferential subscription rights raises €3.68 million

Xilam Animation, Academy Award®-nominated French animation studio, has successfully completed a capital increase with preferential subscription rights to raise €3,683,621.25 in cash by issuing 982,299 new shares at a unit price of €3.75.

The funds raised will allow the company to optimise its financial structure by rebalancing its balance sheet to improve its debt ratio to offset the rising cost of borrowing and more demanding lending conditions.

Subscription demand by the end of the offer period totalled 1,067,608 shares, representing 108.7% of the initial amount, distributed as follows:

- 638,171 shares based on existing holdings (irreducible);
- 429,437 additional subscriptions (reducible).

All subscriptions on an irreducible basis will be fulfilled.

Subscriptions on a reducible basis will be filled for 344,128 shares. The reduction coefficient is 0.179647990 and the allocation scale for shares subject to reduction will be published in a Euronext notice.

This led to a gross transaction value of €3.68 million, resulting in the creation of 982,299 new shares at €3.75 per share, corresponding to 100% of the number of shares initially offered.

The company's share capital following the capital increase will amount to €589,379.90 split between 5,893,799 shares, each with a par value of €0.10.

New shares are scheduled for settlement-delivery and admission to trading in Compartment B of the Euronext Paris market on 15 January 2024. They will be directly assimilated into existing Xilam shares, already traded on Euronext Compartment B under ISIN FR0004034072, with the ticker symbol XIL.

Dilution for shareholders who did not exercise their subscription rights represents 16.7%.

LEGAL FRAMEWORK FOR THE OFFERING

This capital increase through the issuance of new shares with preferential subscription rights was decided on 12 December 2023 by the Chief Executive Officer, following the sub-delegation of powers to him by the Board of Directors at its meeting on 12 December 2023, in accordance with the delegation of authority granted by the 15th resolution adopted at the Annual General Meeting of shareholders on 23 June 2022.



Marc du Pontavice—a direct and indirect shareholder through MDP Audiovisuel (421 603 473 RCS Créteil) and Xilam Group (539 985 788 RCS Créteil) (Marc du Pontavice, MDP Audiovisuel and Xilam Group, collectively referred to as the "**Concert**")—had made clear his intention to underwrite the capital increase up to 75% of its anticipated amount in the event that other Company shareholders did not subscribe to the offering.

On completion of the capital increase, the Concert, whose holdings in equity securities were between 30% and half of the Company's share capital, was thus in a position to increase its shareholding by at least 1% of Company's total equity securities within less than twelve consecutive months, which would have triggered an obligation to file a public offer in accordance with Article 234-5 of the AMF General Regulation.

Furthermore, following the capital increase, MDP Audiovisuel, which individually held theoretical voting rights representing between 30% and half of the total voting rights of the Company, was thus in a position to increase its theoretical voting rights by at least 1% of the total theoretical voting rights of the Company within less than twelve consecutive months and exceed the threshold of 30% of the Company's share capital, triggering the requirement to file a mandatory public offer in accordance with Articles 234-2 and 234-5 of the AMF General Regulation.

On 12 December 2023, the *Autorité des Marchés Financiers* ("**AMF**") granted the Concert a waiver from the obligation to file a mandatory public offer following the threshold crossings resulting from its subscription to the capital increase, in accordance with the provisions of Articles 234-5, 234-9, 6°, and 234-10 of the AMF General Regulation (Decision No. 223C2030).

Completion of the capital increase was subject to the absence, within the legal timeframe, of any appeal against the waiver obtained from the AMF. The Company has not been notified of any appeal in this respect.



DILUTION

How the issuance affects consolidated equity per share

Portion of equity per share (in euros)	
	Undiluted basis*
Before issuance of new shares through the capital increase	14.48
After issuance of 982,299 new shares through the capital increase	12.80

* based on consolidated equity of €71.13 million as of 30 June 2023

How the issuance affects the position of shareholders

Shareholder ownership (as %)	
	Undiluted basis
Before issuance of new shares through the capital increase	1.00%
After issuance of 982,299 new shares through the capital increase	0.83%

There are no financial instruments granting access to the Company's capital in the future.



BREAKDOWN OF CAPITAL BEFORE AND AFTER THE TRANSACTION

Xilam Animation shareholdings as of 20 December 2023

Shareholder	Number of shares	% of capital	Number of theoretical voting rights	% of theoretical voting rights	Number of exercisable voting rights ⁽¹⁾	% of exercisable voting rights
MDP Audiovisuel	1,319,092	26.86%	2,608,684	38.32%	2,608,684	38.97%
Xilam Group	498,745	10.15%	997,490	14.65%	997,490	14.90%
Marc du Pontavice	1	0.00%	2	0.00%	2	0.00%
“Concert” Total	1,817,838	37.01%	3,606,176	52.97%	3,606,176	53.88%
Xilam Animation	114,917	2.34%	114,917	1.69%	-	0.00%
Other registered	127,807	2.60%	236,375	3.47%	236,375	3.53%
Free float	2,855,938	58.05%	2,850,938	41.87%	2,850,938	42.59%
Total	4,911,500	100.00%	6,808,905	100%	6,730,453	100.00%

(1) In accordance with AMF position-recommendation No. 2021-02, the total number of voting rights exercisable at the general meeting is calculated based on all shares to which exercisable voting rights are attached and does not include shares deprived of voting rights.

Shareholder structure after capital increase (to the Company’s knowledge)

Shareholder	Number of shares	% of capital	Number of theoretical voting rights	% of voting rights	Number of exercisable voting rights ⁽¹⁾	% of exercisable voting rights
MDP Audiovisuel	1,819,881	30.88%	3,109,473	39.91%	3,109,473	40.51%
Xilam Group	688,092	11.67%	1,186,837	15.23%	1,186,837	15.46%
Marc du Pontavice	1	0.00%	2	0.00%	2	0.00%
“Concert” Total	2,507,974	42.55%	4,296,312	55.15%	4,296,312	55.97%
Xilam Animation	114,917	1.95%	114,917	1.48%	0	0.00%
Other registered	127,807	2.17%	236,375	3.03%	236,375	3.08%
Free float ⁽²⁾	3,143,101	53.33%	3,143,101	40.34%	3,143,101	40.95%
Total	5,893,799	100%	7,790,705	100%	7,675,788	100%

(1) In accordance with AMF position-recommendation No. 2021-02, the total number of voting rights exercisable at the general meeting is calculated based on all shares to which exercisable voting rights are attached and does not include shares deprived of voting rights.

(2) Including shares issued as part of the transaction, excluding those subscribed by the Concert.



NOTICE

In accordance with the provisions of Article 1, Paragraph 5 of the Prospectus Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, this issuance did not require a Prospectus approved by the *Autorité des Marchés Financiers* (AMF), as it represents less than 20% of the number of shares of the same category already admitted to trading on a regulated market.

A notice to shareholders regarding this transaction was published on 15 December 2023 in the Bulletin des *Annonces Légales Obligatoires* (BALO).

TRANSACTION PARTNER



Advisor



About Xilam

As a major player in animation, Xilam is an integrated studio founded in 1999 that creates, produces and distributes original programmes in more than 190 countries for children and adults. Its content is broadcast on television, and is also available on SVoD platforms including Netflix, Disney+ and Amazon, and AVoD streaming platforms including YouTube and Facebook. With a global reputation for creativity and innovation, coupled with cutting-edge editorial and commercial expertise, Xilam 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* and *Chicky*) and new brands (*Oggy Oggy*, *Mr Magoo* and *Karate Sheep*), which are strengthening and expanding a substantial catalogue of more than 2,700 episodes and three feature films, including the Oscar-nominated *I Lost My Body*. Xilam has unique expertise in 3D animation. The Group 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)

For more information, visit www.xilam.com



Name: Xilam
ISIN: FR0004034072
Symbol: XIL
Number of ordinary shares comprising share capital: 4,911,500 shares



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