



MEDIAWAN

MEDIAWAN – 2017: SUCCESSFUL CREATION OF AN INDEPENDENT MEDIA GROUP RESULTS SIGNIFICANTLY ABOVE TARGET

- Creation of an independent European audiovisual content group
- Numerous developments across all activities resulting in proforma¹ revenues of €164m, growing +3% vs. 2016 and above initial target
- Proforma¹ EBITDA² of €37m, beating initial target for the acquired perimeter by approx. 10%³
- Significant improvement of growth profile: strong production line-up supporting a target of double-digit organic growth for the combined group

Paris, March 21, 2018, 6 pm CET - Mediawan (Ticker: MDW - ISIN: FR0013247137), an independent European audiovisual content platform, announces its 2017 annual results.

The members of the Supervisory Board unanimously approved on March 20, 2018 the consolidated financial statements for the year ending December 31, 2017 which have been adopted by the Management Board on that same day. The Statutory Auditors also confirmed that they had no observation on such financial accounts.

Key reported and pro forma financial indicators¹

In €m	2017 A	2017 PF	2016 PF	Var (%)
Channels & Digital	81.3	108.2	106.8	+1%
Production & Distribution	34.3	55.6	52.7	+5%
Revenues	115.7	163.8	159.6	+3%
Channels & Digital	9.4	11.9	11.6	+3%
Production & Distribution	19.7	28.6	25.4	+12%
EBITDA – operations	29.1	40.5	37.0	+9%
Central costs	(3.6)	(3.6)		
EBITDA²	25.5	37.0		

In €m	31.12.2017	31.12.2016
Net financial debt	(29)	251
Shareholders' equity	210	244

¹ Reported results include 9 months of Groupe AB activity, the latter being consolidated since its acquisition on March 31, 2017. Pro forma indicators are calculated consolidating Groupe AB from January 1, 2017.

² EBITDA reported after amortization of audiovisual rights (other than recognized through business combination).

³ EBITDA of €40.5m for Groupe AB (before central costs), compared to initial target of €37m for the acquired perimeter.



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Pierre-Antoine Capton, Mediawan's Chairman, says: "2017 was the year that saw the birth of Mediawan, an independent European audiovisual content group, with the acquisition of Groupe AB followed by the deployment of our strategy with a number of operations in the key domains of fiction, animation and documentaries. The growth of our various business segments and our ability to attract and integrate complementary talents reflect the fine execution of this strategy. With solid financial capabilities, Mediawan will benefit from the substantial international appetite for original European productions. Thanks to our recent successes, our ongoing projects and our agreements with leading global broadcasters, 2018 should see the deployment of our strategy across Europe".

Creation of an independent European audiovisual content group

All along 2017, Mediawan gathered various companies which have been or are expected to be acquired in 2018, establishing the group's position in Europe with combined revenues around €270m.

- **Groupe AB, the first pillar in constituting Mediawan**

With the acquisition of Groupe AB for €280 million, Mediawan carried out its first structuring operation on 31 March 2017, creating the foundations for an independent European audiovisual content group.

Founded in 1977, Groupe AB is a leading independent editor, producer and distributor of audiovisual content in French-speaking Europe that is involved in producing and distributing TV series, TV movies, cartoons and documentaries and in editing a portfolio of 19 television channels and associated digital services focusing on major topics and brands.

- **Leading producer of fiction and documentaries in France**

Mediawan acquired in July, via its subsidiary Groupe AB, a majority stake in CC&C (Clarke Costelle & Co) from its founding partners. Since 2001, CC&C specializes in producing historical programs and documentaries notably built around the "Apocalypse" collection which enjoys record viewing figures in France and 165 other countries.

Early 2018, Mediawan announced various combination projects with production companies, thus enabling it to become the leading producer of fiction in France, via the acquisition of:

- EuropaCorp's TV business (excluding US series), with a track record of successes in France and internationally such as "XIII", "No Limit", "Les Bleus" and "Taxi Brooklyn". This transaction was completed on January 15, 2018,
- a majority stake in the Makeover group, one of France's leading producers developing strong franchises such as "Captain Charif", "Kaboul Kitchen" and, more recently, "The Red Band Society", which was finalized on March 15, 2018;
- 60% of Mon Voisin Productions producing the successful TV series "Call My Agent", founded by Dominique Besnehard and Michel Feller, the announced exclusive talks being expected to be shortly finalized.

Run by exceptionally talented people, these companies match perfectly Mediawan's strategic objectives: premium contents with recognized and strong identifiable brands, together with a high catalogue value and substantial growth prospects.

- **European leader in animation**

Last December, Mediawan announced entering into exclusive talks in order to acquiring a majority stake in ON kids & Family, the European leader in animation, producer of successful TV series and feature films with exceptional brands such as "Miraculous Ladybug", "The Little Prince", "Playmobil", "Robin Hood", "Little Nicolas", "Iron Man", "Chaplin", "Drôles de Petites Bêtes", etc.

Apart from its recognized experience in creation and production, ON kids & family's main characteristic is its unique capability to upgrade IPs in particular by generating considerable licensing & merchandising revenues notably through partnerships concluded with the market's leading toy manufacturers.

The finalization of this transaction is scheduled to occur during Q2 2018.



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Various developments across all activities

Mediawan confirms its capacity to pursue its various activities' operational developments, rolling out its strategy announced in March 2017 at the time of its first acquisition.

- **Acceleration in operational developments on the Channels & Digital segment**

Mediawan has strengthened and made durable its relations with TV and telecom operators in order to distribute its channels and contents to a very large audience. These successes are the result of a proactive development policy, with notably:

- the launch of new TV channel ABXplore in Belgium in September;
- its entry into eSport through an exclusive TV partnership with the video game global leader Activision Blizzard ("*Call of Duty*", "*World of Warcraft*"); and
- its digital offering's intensification, genuine extension of the Group's channels notably thanks to the launch of the "*Mon Science & Vie Junior*" app, the development of YouTube channels such as "*Instant Saga*" and the creation of original programs such as a news magazine monthly released on the YouTube channel "*Chasse et Pêche*".

- **Pursuance of investments for contents to increase the Group's catalogue**

The Group's talents' creativity was confirmed with the delivery of key programs' new seasons such as "*Section de Recherches*", "*Alice Nevers*" and "*Zone Blanche*".

2017 was an eventful year for the Group's distribution platform. Following the sale of the worldwide SVOD rights to police series "*The Mantis*" to Netflix and the sale of the SVOD rights to science fiction series "*Missions*" for certain countries including the USA, Canada, Germany and the UK to Shudder/AMC Networks, later in the year Amazon acquired the world wide's SVOD rights of "*Black Spot*" series, produced and distributed by Mediawan (Ego Productions and AB Distribution). These deals are in line with Mediawan's global growth strategy driven by highly-appealing contents.

Last, the Group acquired all the distribution rights in French-speaking Europe for TV series "*Babylon Berlin*", a prestigious international co-production which won the MIPdrama Screenings Grand Jury award in 2017.

Altogether, the amounts invested by the Group in audiovisual rights, both in distribution and new productions, in 2017 totalize €52 million (pro forma).

Solid performances, beating targets: revenues of €163.8m and EBITDA of €37m (pro forma⁴)

2017 annual revenues totaled €115.7 million based on the 9-month consolidation of Groupe AB – i.e. from April 1. Pro forma revenues, with Groupe AB consolidated on January 1, 2017, was €163.8 million.

Channels & Digital:

Revenues from the **Channels & Digital** segment, which incorporates royalties and advertising income, totaled €81.3 million in 2017 and €108.2 million pro forma. Advertising income raised significantly, notably benefiting from growing audience ratings and the opening of new regional advertising offer in Switzerland.

EBITDA came to €9.4 million (€11.9 million pro forma), thanks to the increase in revenues and the Group's ability to control its direct costs.

Production & Distribution:

Revenues from the **Production & Distribution's** activity totaled €34.3 million (€55.6 million pro forma, +5% growth for the financial year 2017).

⁴ Reported results include 9 months of Groupe AB's activity, the latter being consolidated since its acquisition on March 31, 2017. Pro forma indicators are calculated consolidating Groupe AB from January 1, 2017.



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The revenues of the **Production** activity match with the delivery of new programs to broadcasters, in particular 8 episodes of TV series “*Alice Nevers*” were delivered in the 2nd quarter of 2017 and 6 episodes of season 12 of “*Research Unit*” were delivered during the 2nd half of 2017.

The **Distribution** activity was driven by sales on digital platforms: Amazon with “*Black Spot*”, Netflix with “*The Mantis*”, “*Seven and Me*” and numerous films from the catalogue.

EBITDA of the activity was €19.7 million (€28.6 million pro forma in 2017), 12% growth compared to 2016.

Altogether, the **pro forma revenues totaled €163.8 million for 2017**, above expectations announced in March 2017 and +3% growth compared to 2016.

In 2017, **Group’s EBITDA amounts to €37.0m on a pro forma basis**. On a comparable basis at Groupe AB level (meaning without central costs), this represents a +9% increase compared to last year results and beating initial target by 10%.

The operating result indicates a loss of €(3.1) million was mainly affected by:

- non-recurring expenses of €(9.3) million associated with acquisition costs, partly offset by a one-off indemnity of €5.2 million;
- amortization of the goodwill allocated to tangible and intangible fixed assets, for €(21.7) million.

The 2017 net revenues shows a loss of €(6.8) million, integrating also the financial expenses of €(3.7) million, principally consisting of bank loan interest subscribed for the purpose of Groupe AB’s acquisition.

Solid financial structure: net debt of €29m and shareholders’ equity of €210m at end-2017

As of December 31, 2017, Mediawan had net financial debt of €28.5 million. The net cash position was €82.4 million, a significant part of which has already or shall be used for the purpose of the acquisitions already contemplated or to be finalized in 2018.

Substantial line-up and good prospects for 2018

Mediawan is now a key European player in audiovisual content:

- **the leading producer of fiction and documentaries in France**, with 13 production companies gathering the most talented people in all creative areas;
- **the leading player in animation in Europe**, with recognized global franchises such as “*Miraculous Ladybug*”, “*The Little Prince*” and “*Playmobil*”;
- **a catalogue of more than 13,000 hours of programs**, growing every year with over 250 hours of new productions, commercialized with high distribution capacities in France and abroad;
- **a leader in contents’ aggregation on focused themes**, via the publication of channels and associated digital services.

In 2018 Mediawan intends to integrate its recently-acquired companies to create the bedrock for its European deployment. Simultaneously, it will pursue its growth strategy using clearly-identified pillars:

- accelerate the international development of production activities, notably by increasing its partnerships with European broadcasters and global platforms;
- accompany the development and production of its best projects in progress, in both fiction and animation;
- increase its international distribution capabilities, in particular thanks to strengthening of its teams and catalogue;
- continue the transformation plan on thematic verticals: channels repositioning, launch of new concepts and development of digital ecosystems.



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Such ambitions are expressed by a significant improvement of organic growth, revised from 3-5% for the historic perimeter to approx. 10% for the new combined group.

Lastly, Mediawan will continue to explore external development opportunities, via the recruitment of talented staff and further acquisitions, with particular attention being paid to international activity, which will help facilitate co-production schemes and strengthen the catalogue.

The 2017 annual financial report is available at:

www.mediawan.fr/fr/relations-investisseurs/#info

Next financial press release: Q1 2018 revenues, at the latest on May 31, 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. Mediawan undertakes no obligation to update or revise any forward-looking statements in the future or to adjust them in line with future events or developments, except to the extent required by law.

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APPENDIXES

1. CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2017

In € thousands	31 dec 17	31 dec 16
Intangible assets	209 378	43
Goodwill	96 401	-
Property, plant and equipment	18 462	-
Other non-current financial assets	2 144	-
Deferred tax assets	2 390	-
Non-current assets	328 777	43
Inventories and work-in-progress	2 008	-
Trade receivables	46 938	-
Other receivables	13 117	685
Cash and cash equivalents	82 478	250 664
Current assets	144 541	251 349
Total assets	473 318	251 392
Share capital	284	313
Share premium	216 181	244 634
Treasury shares	(65)	-
Other reserves	62	-
Retained earnings (deficit)	(7 350)	(661)
Equity attributable to owners of the Company	209 113	244 285
Equity attributable to non-controlling interests	597	-
Equity	209 710	244 285
Long-term borrowings and other non-current fin. liab.	95 080	-
Employee benefit obligations	3 113	-
Long-term provisions	7 947	-
Deferred tax liabilities	42 216	-
Non-current liabilities	148 355	-
Short-term borrowings and other current fin. liab.	15 949	-
Short-term provisions	365	-
Trade and other operating payables	79 375	7 087
Other payables and accrued expenses	18 447	19
Current tax liabilities	1 117	-
Current liabilities	115 253	7 106
Total Equity and liabilities	473 318	251 392



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2. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

In € thousands	2017	2016
Revenue	115 657	-
Cost of goods sold	(65 486)	-
Gross margin	50 171	-
Selling, general and administrative expenses	(24 632)	(627)
Other depreciation	(2 845)	(9)
Other operating income and expenses	(4 152)	-
Amortization of intangible assets recognized through business c	(21 669)	-
EBIT	(3 127)	(635)
Cost of net financial debt	(3 754)	-
Other financial income and expenses	38	-
Net financial income (expense)	(3 716)	-
Pre-tax income / (loss)	(6 842)	(635)
Current and deferred tax (expense) / benefit	223	-
Profit (loss) after tax	(6 620)	(635)
Net income / (loss)	(6 620)	(635)
Net income / (loss), Group share	(6 835)	(635)
Minority interests	216	-
Basic earnings (loss) per share attributable to owners (in €)	(0.233)	(0.028)
Diluted earnings (loss) per share (in €)	(0.233)	(0.028)



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3. RECONCILIATION OF EBITDA, GROUP'S KEY PERFORMANCE INDICATOR

In € thousands	2017 Actual	2017 PF
EBIT	(3 127)	7 902
Amortization of intangible assets recognized through business combinations	21 669	22 108
Other operating income and expenses	4 152	3 224
Other depreciation	2 845	3 764
EBITDA	25 539	36 998