

MONDO TV GROUP

Half-Year Consolidated Financial Report as at 30 June 2020

*Companies' Register and Tax Code 07258710586
Economic and Administrative Repository (R.E.A.) of Rome 604174*

*Mondo TV S.p.A.
Share Capital Euro 18,207,106 - fully paid-in*

Registered office

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INTERIM REPORT ON OPERATIONS

CORPORATE GOVERNANCE

The Parent Company Mondo TV S.p.A. adopted the traditional system of management and control. In particular, the Shareholders' Meeting resolved the appointment:

- of the Board of Directors, which has sole responsibility for the management of the Company for the three-year period 2018-2020 (resolution of 30 April 2018);
- of the Board of Statutory Auditors with the task of monitoring compliance with the Law, the Articles of Association and compliance with the principles of correct administration for the three-year period 2020-2022 (resolution of 13 May 2020);
- of the independent auditors assigned the statutory audit under articles 14 and 16 of Legislative Decree no. 39 of 27/01/2010 for the nine-year period 2015-2023 (resolution of 30 April 2015).

Board of Directors

Matteo Corradi - Chair of the Board of Directors and CEO
Monica Corradi - Director
Carlo Marchetti - Director and Financial Reporting Manager
Aurelio Fedele - Independent Director
Angelica Mola - Independent Director

Board of Statutory Auditors

Maurizio Bernardo - Chair of the Board of Statutory Auditors
Adele Barra - Regular Auditor
Alberto Montuori - Regular Auditor
Davide Salatino - Alternate Auditor
Sara Acquarelli - Alternate Auditor

Independent Auditors

BDO Italia S.p.A.

Other bodies of the Parent Company:

Internal Control and Audit Committee

Aurelio Fedele - Chair
Angelica Mola - Component

Supervisory Body (Legislative Decree 231/2001)

Aurelio Fedele - Chair
Paolo Zecca - Member
Samantha Gioia Perri - Member

Appointments Committee

Angelica Mola - Chair
Aurelio Fedele - Member

INTERIM REPORT ON OPERATIONS - HY1 2020

1. GENERAL COMMENTARY

The half-year financial report of the Mondo TV Group as at 30 June 2020 has been prepared in accordance with the provisions of article 154-ter paragraph 2 of Legislative Decree no. 58/97 - Consolidated Finance Act (TUF, Testo Unico sulla Finanza) - and subsequent amendments or additions.

The condensed half-year consolidated financial statements as at 30 June 2020, included in the half-year financial report, have been prepared in accordance with IAS 34 "Interim Financial Statements", issued by the International Accounting Standards Board (IASB) and consist of the consolidated statement of financial position, consolidated income statement, consolidated comprehensive income statement, consolidated cash flow statement, statement of changes in consolidated shareholders' equity and notes.

In accordance with IAS 34, the notes are summarized and do not include all the information required in the annual financial statements, referring exclusively to components that, by amount, composition or variation, are essential for the purpose of understanding the Group's economic, financial and equity position. Therefore, this half-year financial report should be read in conjunction with the consolidated financial statements as at 31 December 2019.

The condensed half-year consolidated financial statements include the financial statements of Mondo TV S.p.A. and Italian and foreign companies regarding which the Parent Company Mondo TV S.p.A. exercises control in accordance with IFRS 10.

The condensed consolidated half-year financial statements show a net profit attributable to the Group of Euro 2,458 thousand (in HY1 2019: net profit of Euro 2,021 thousand), after depreciation, amortisation and impairment of Euro 4,744 thousand (in HY1 2019: Euro 4,496 thousand).

As for the income statement, the changes are summarised as follows:

Summary Consolidated Income Statement

Half-Year Consolidated Financial Report as at 30 June 2020

The items indicated in the reclassified HY financial statements presented above are in part taken from the HY financial statements and reported further on in this document, and are in part the result of aggregations; the composition of the latter and the references to the items in the HY financial statements are shown below.

Revenues: the sum of "revenues from sales and services" and "other revenues".

Gross operating margin (EBITDA): the sum of "Revenues" as defined above less "Raw materials, consumables and goods", "Personnel costs", and "Other operating costs".

Compared to the corresponding period in 2019, there was an increase in revenues of approximately Euro 0.2 million in absolute value and approximately 2% in percentage terms, mainly as a result of the processing of existing contracts.

The capitalisation of internally produced animated series mainly refers to the productions of the Parent Company, and Mondo TV France, and was Euro 1.7 million (Euro 1.8 million in the corresponding period of 2019).

Operating costs decreased by approximately Euro 0.4 million, mainly due to the cancellation of trade fairs and the decrease in advertising costs.

The "Gross operating margin" went from Euro 7.8 million in HY1 2019 to Euro 8.3 million in HY1 2020, an increase of Euro 0.5 million in absolute value and 7% in percentage terms due to higher revenues and lower operating costs as a result of the above.

The operating result after amortisation, depreciation, impairment and provisions (Euro 4.7 million, compared to Euro 4.5 million in the corresponding period of 2019) is positive for Euro 3.6 million, compared to Euro 3.3 million of the corresponding period in 2019, with an increase of approximately Euro 0.3 million in absolute value and 9% in percentage terms.

There were net financial expenses of Euro 0.2 million in the half year compared to net financial expenses of Euro 0.1 million in HY1 2019; the change of Euro 0.1 million was due to the exchange rate trend.

Group net profit for the period was Euro 2.5 million compared to Euro 2.0 million in HY1 2019, up Euro 0.5 million in absolute value and 22% in percentage terms.

The net financial position went from net debt of Euro 1.4 million to net debt of Euro 3.6 million at 30 June 2020, due to the investments made in the production of the new animated series and the increase in working capital.

Group equity went from Euro 60.4 million at 31 December 2019 to Euro 62.6 million at 30 June 2020 mainly due to the positive result for the HY.

2. DESCRIPTION OF THE COMPANY'S OPERATING CONDITIONS

The Group has historically been operating in the business of producing and marketing television series and full-length animated movies. For more than five years now, the Company has been focusing on sectors related with its core business, chief among them, especially in perspective, the exploitation of its rights for merchandising purposes. Moreover, the Group and in particular the Parent Mondo TV S.p.A. has changed its production and sales strategy, focusing efforts and investments mainly on new productions with high licensing potential, co-produced with third parties, and on the distribution of third-party libraries.

The reference economic context in HY1 2020 was significantly affected by the Covid emergency, although the media sector seems to be among the least impacted at the moment; in a context that saw the cancellation of the main trade fairs in the sector, the Group focused on processing the productions already acquired.

Below is a brief description of the business of the Parent and of the subsidiaries, as well as of the relevant strategic missions:

- the Parent Mondo TV S.p.A. emphasised its vocation as a 'strongbox', dedicated to the creation and, to a lesser extent, the acquisition of rights that could be exploited in both the television sector and in the diversified field of ancillary and related rights (licensing and merchandising).
- Mondo TV France S.A. produces and coproduces animated television series for French broadcasters and, from a strategic point of view, allows the Mondo TV Group to expand its operations to France and French-speaking countries. The company is listed at the AIM Italy - Alternative Capital Market (hereinafter, "AIM Italy") organised and managed by Borsa Italiana S.p.A. (Italian Stock Exchange). The portion of share capital held by Mondo TV S.p.A. as at June 2020 is about 21%.
- Mondo TV Suisse S.A. realizes productions and co-productions of animated television series for clients in the USA, the Middle East, Asia and Russia. Of particular note, among others, is the agreement with Aurora and Netflix for the production of the animated series YooHoo and Friends.
The company is listed at the AIM Italy - Alternative Capital Market (hereinafter, "AIM Italy") organised and managed by Borsa Italiana S.p.A. (Italian Stock Exchange). The portion of share capital held by Mondo TV S.p.A. as at June 2020 is about 61%.
- The mission of Mondo TV Iberoamerica S.A. is to sell the television rights of the Group's Library in Spain, Portugal, and South America, and to produce and coproduce live and animated television series in Spanish and Portuguese for TV broadcasters. The company was listed in 2016 on the Mercado Alternativo Bursatil (MAB) on the Madrid Stock Exchange. The portion of share capital held by Mondo TV S.p.A. as at June 2020 is 79%.
- Mondo TV Producciones Canarias S.L.U. incorporated in 2016, is aimed at the realisation of specific phases of production of animated series and, more generally, of television productions, benefiting from the tax advantages recognised by the local authorities. The percentage of investment of Mondo TV S.p.A., through Mondo TV Iberoamerica S.A., which holds 100% of the share capital, is 79%.
- Mars 1982 is a start-up operating in the smartphone game sector, whose 51% majority stake was acquired in early 2020.
- Mondo TV Toys S.A., incorporated by the Parent Company in HY1 2016, was placed in voluntary liquidation on 26 June 2017. The liquidation phase was completed as at 30 June 2018 and the cancellation of the company from the register of companies is pending. The percentage of investment of Mondo TV S.p.A. is 100%.

The table below summarises the sectors into which Mondo TV Group's business is broken down, indicating the relevant companies:

The Mondo TV Group

The television distribution business consists in the selling and/or licensing of television rights relating to the series and full-length animated movies in the Group's Library.

The main buyers are coproducers, distributors, and over-the-air, cable, and satellite TV broadcasters, either public or private, in Italy and abroad.

Furthermore, the development of new technologies in the multimedia communication field opens new and interesting markets and/or market niches for the Group.

The Group carries out production on its own behalf or, as customary in this business, in partnership with third-party companies that participate in production, bearing part of the costs and/or organisational and production expenses, while the Group is responsible for creative development and governs, de facto, the entire production process.

Production is carried out under the direction and supervision of the Group's management, which uses, in whole or in part and as per standard industry practice, external artists, screenwriters and directors as well as animation studios entrusted with the production of the series and of the full-length animated movies.

In short, the steps in producing a television series are as follows:

Pre-production

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In HY1 2020, the typical production activities of the Parent Company Mondo TV continued, as did the acquisitions made by other Group companies; the most significant investments concerned the production of the animated series Invention Story, Meteo Heroes and Disco Dragon

Below is a summary of the investments for the HY in library:

Investments in Library (Euro thousands)

In May, Mondo TV signed a licensing agreement with TIM for six programs to be broadcast on TIMVISION, including Invention Story, Robot Trains and Sissi.

On 20 May, Mondo TV reached an agreement with Samsung for the launch in the fall of a channel entirely dedicated to children under the Mondo TV brand within the Samsung TV Plus service, offered as a bundle on Samsung devices in Italy.

The partnership includes a revenue share system of advertising revenue from the offering of more than 50 movies and over 20 series among Mondo TV programs within the service. The contract is for a period of one year.

In June, the subsidiary Mondo TV Iberoamérica announced that it has initiated an important strategic change that will affect both the future strategy of the Spanish subsidiary and the entire Mondo TV Group: the subsidiary Mondo TV Producciones Canarias, S.L.U., in fact, will expand its studios in Santa Cruz de Tenerife in order to implement a 3D CGI animation production line that will be operational from September 2020.

The initial investment foreseen is about Euro 300,000.00 for the renovation of the new offices and the purchase of the technological devices necessary for 3D CGI production; at the same time as the renovation of the offices, the selection of personnel will be started with the aim of employing about 30 resources in the new structure, including illustrators and animators, to carry out the first project currently under negotiation.

This investment will have an impact not only on the evolution of turnover and on the future cost structure of the Mondo TV Iberoamerica Group, but it will also have an impact on the entire Mondo TV Group: in fact, the parent company Mondo TV, while continuing to operate through third-party suppliers who have distinguished themselves in recent years, will have the possibility for some future projects that require close quality control to use the Canary Island studio, thus internalising the cost of the service normally outsourced. The same principle may also be applied by the other Group companies.

On 22 June, the parent company announced that it had reached an agreement with two companies in the Huawei group for the inclusion of 58 of its own animated television series on the Huawei online platform. The programmes will be made available to the public globally in 26 countries including Italy, Spain, UK, France, Germany, Poland, Sweden, Turkey, Finland, Norway, Denmark, Russia, Mexico, Colombia, Chile, Philippines, Malaysia, Thailand, Hong Kong, Singapore, India, Japan, Saudi Arabia, Egypt, United Arab Emirates and South Africa.

The partnership includes a revenue share system based on the viewing of the 58 licensed animated series belonging to the Mondo TV library for two years from the launch with the possibility of renewal.

4. INFORMATION ON SHAREHOLDERS AND THE SHARE PRICE

The Parent Company Mondo TV S.p.A.'s shareholding structure as at 30 June 2020 was as follows:

Largest shareholders

5. HIGHLIGHTS

Reported below are the equity, financial and economic figures of the Mondo TV Group reclassified and compared with the figures of the previous year in the case of equity-financial figures and the previous period for economic figures.

Reclassified condensed consolidated statement of financial position

Consolidated net financial position

Key financial ratios

In conformity with article 154-ter, paragraph 4, of the Consolidated Finance Act, it should be noted that the main risks associated with the Company's business that could affect its outlook are as follows:

6.1 Financial risks

The Group's financial instruments consist in the credit lines and bank loans, finance leases and on-demand bank deposits. Such instruments are aimed at financing the Group's operations. The Group has various other financial instruments, such as trade payables and trade receivables deriving from operations. The main risks generated by the Company's financial instruments are:

- a) Credit risk
- b) Liquidity risk
- c) Exchange rate risk
- d) Interest rate risk

a) Credit risk

Credit risk represents the Group companies' exposure to potential losses arising from the non-fulfilment of the obligations assumed by the counterparties.

The management of this risk consists, first of all, in the selection of customers based on reliability and solvency and in limiting exposure to individual customers.

The positions for which a risk of partial or total non-collectability is noted, are subject to individual impairment.

Performing trade receivables have not been impaired since no significant indication of impairment emerged, based on an analysis conducted that took into account both the reliability of the individual customers, and the high distribution of credit risk.

b) Liquidity risk

Liquidity risk represents the risk that the financial resources might not be available or may be available at a cost so high that profit (loss) for the year may be affected. In this regard, in order to be best protected against these risks, the Mondo TV Group adopts a policy for the optimization of the debt mix between short and medium/long-term and, as part of the short-term lines, a policy for diversification of the banking lines and institutions.

As at 30 June 2020, the Group had a net financial position of Euro 3.6 million, with Euro 5.7 million in cash and cash equivalents.

In HY1, a new loan was acquired from Credem for an amount of Euro 1 million, repayable in 5 years with an 80% guarantee provided by the guarantee fund.

In August, a further loan of Euro 2 million was acquired from Credit Agricole, repayable over 6 years with a 90% guarantee provided by the guarantee fund.

The following table shows the breakdown of Mondo TV Group's credit lines, expressed in millions of Euro, made available by banks as at 30 June 2020:

(Values in Euro millions)

Bank

San Paolo

with the issuance, on 23 May 2019, of an assessment notice highlighting the disputes relating to the year 2014 for an amount of approximately Euro 1.1 million plus penalties and interest.

The same notice contains a communication to the offices and the company regarding the use of the tax credit in other years for the period 2012-2019.

On 20 December 2019, the Revenue Agency issued in relation to this notice, communication of recovery of the offsets made in 2012 through the tax credit generated by the conversion of deferred tax assets (DTA) into tax credits carried out pursuant to article 2, paragraphs 55-58, Decree Law No. 225/2010, for an amount of Euro 2,328 thousand plus penalties of Euro 2,328 thousand and interest of Euro 678 thousand for a total amount of Euro 5,336 thousand.

On 10 February 2020, an ample appeal was promptly filed against the aforementioned notice, since, in the opinion of the professionals in charge of defending the company against the litigation, there were very valid elements both of a formal nature (relating to the forfeiture of the taxation power) and of a substantial nature (relating to the formation of DTA statutory credits and their conversion into DTA tax credits), to oppose the subject matter of the recovery notice. In any case, the appeal was preceded by a request for self-defence, in order to keep the dialogue with the Agency open, which also continued by sending further documentation in 2020.

7. HUMAN RESOURCES AND RESEARCH AND DEVELOPMENT ACTIVITIES

As at 30 June 2020, the Group had 51 employees, of which 5 executive and 46 white-collar workers and middle managers, up 2 employees compared to 31 December 2019. The breakdown of employees by company is as follows: Mondo TV S.p.A. 25 employees, Mondo TV France S.A. 4 employees, Mondo TV Suisse 3 employees and Mondo TV Iberoamerica Group 19 employees.

The Group has a moderate turnover rate.

No serious work accidents occurred and no charges for occupational illness or mobbing were reported in any company of the Group during the HY.

The Group conducts research and development activities for the purpose of launching new products, selecting and developing stories and characters also by means of tests carried out in partnership with childhood sociologists.

8. TREASURY SHARES

The Parent does not hold treasury shares, either directly or through subsidiaries, trust companies or nominees

9. SIGNIFICANT EVENTS AFTER HY END

The subsidiary Mondo TV Iberoamérica announced on 23 July 2020 that RTVE (Radio Televisión Española, Spanish national public channel) has confirmed its participation in the co-production of the animation series Annie & Carola, co-produced by Mondo TV Producciones Canarias, S.L.U. and MB Producciones, S.L., and of which Mondo Canarias currently holds 93% of the intellectual property rights.

Annie & Carola is the first co-production to be made entirely by the Canary Islands Company, which will take care of its development in the new 3D CGI offices; Annie & Carola, which will consist of 52 episodes lasting 11 minutes each, will still be made in 2D high definition, and is a project that aspires to create a rich cosmos of characters who immerse themselves

in the world of emotions by sharing the aspirations and concerns of today's children. It is expected to be released in the second half of 2022.

This agreement reinforces the Group's growth, laying the foundations for increased development of its own intellectual property products and reaffirming the growing recognition of the importance of the animation production hub in the Canary Islands.

To date, there have been no events after 30 June 2020 such as to make the current financial position substantially different from that resulting from the balance sheet at that date or to require adjustments or supplementary notes to the Financial Statements.

10. RELATED-PARTY TRANSACTIONS

10.1 Related Parties

The Mondo TV Group engages in significant transactions with related parties, the complete list of which is reported in Annex 5. These transactions are at arm's length and have three different origins:

- payment of consideration for service rendered;
- payments for leases and other services;
- sundry transactions with shareholders.

The table below shows the costs and financial payables associated with the above-mentioned transactions.

(Euro
thousands)

Totals

Half-Year Consolidated Financial Report as at 30 June 2020

* Of which Euro 48 thousand as executive compensation, Euro 8 thousand as a director of Mondo TV, Euro 10 thousand as a director of Mondo TV France and 13 thousand as director of Mondo TV Iberoamerica.

Below is a brief description of relationships with Directors and Key Managers within the Company and other related parties:

Matteo Corradi is Chair (since 30 April 2018) and CEO of Mondo TV S.p.A., Board Director of Mondo TV Iberoamerica, Chair of the Board of Directors of Mondo TV France, Non-Executive Board Director of Mondo TV Suisse.

Carlo Marchetti is Board Director and Financial Reporting Manager of Mondo TV S.p.A., and is also Board Director of Mondo TV France and Mondo TV Iberoamerica.

Monica Corradi is Board Director of Mondo TV S.p.A. and also carries out specific assignments on behalf of the Board of Directors.

Aurelio Fedele and Angelica Mola are Independent Directors and members of certain committees of Mondo TV S.p.A. appointed on 30 April 2018.

Trilateral Land S.r.l. leases some offices to Mondo TV S.p.A. and has as its Sole Director Matteo Corradi.

The consolidated financial statements showing related parties pursuant to CONSOB resolution no. 15519 of 28/07/2006 include the consolidated financial statements prepared in accordance with the CONSOB resolution showing transactions with related parties and the relative impact on the various items of the condensed half-year consolidated financial statements.

10.2 Intra-Group Transactions

As for the transactions between the Parent and the other companies of the Group, and also those between the latter without the involvement of the Parent, first it should be noted that the various companies' operations tend to be integrated, as in this industry companies belonging to the same media group typically pursue common policies in terms of production, acquisition, and exploitation of rights. These groups, indeed, tend to structure themselves into separate entities specialised in the exploitation of different rights, and, at the same time, they attempt to pursue common strategies for the procurement and marketing of rights, in order to exploit the synergies and greater contractual strength deriving from acting in concert.

All transactions between the various companies of the Group were at arm's length, involved specific governance procedures for the related implementation resolution and were derecognized as part of the consolidation procedure in accordance with the ordinary accounting rules.

Below is a brief description of transactions within the Mondo TV Group and derecognized in the half-year consolidated financial report as at 30 June 2020.

Transactions between the Parent and Mondo Iberoamerica S.A.

Mondo TV Iberoamerica distributes the library of Mondo TV S.p.A. in Spain and South America and acquires live fiction for subsequent sale via Mondo TV S.p.A. in Italy.

In previous years, Mondo TV S.p.A. granted interest-bearing loans to the subsidiary for the production of the live series Heidi and for the financial support of its cash requirements; this loan has a term of three years and is remunerated at a rate equal to three-month Euribor increased by 3%; at 30 June 2020, it amounted to Euro 916 thousand.

Transactions between the Parent and Mondo TV Suisse S.A.

Transactions between the Parent Company and the subsidiary mainly refer to the costs charged by the Parent Company in relation to the production of the animated series acquired by the subsidiary, the executive production of which was

entrusted to the Parent Company under a framework agreement signed between the parties in early 2015 for the provision of services related to the production of audiovisual animation programs.

In particular, the framework contract is regarding the allocation of productions between Mondo TV Suisse S.A. and the Parent Company for entrustment to the latter the assignment to realize the production processing phases of Mondo TV Suisse S.A. by its customers. The processing phases may include all or some of the pre-production, executive production and post-production processing as normally meant in the animation industry.

The framework contract has a duration of 12 months and is automatically renewed at each expiration date.

The fee for the execution of the services and provisions provided for in the framework agreement is equal to the amount entrusted by its customers to Mondo TV Suisse S.A. reduced by 15%. All costs and expenses incurred in relation to the realization of the productions are the responsibility of the Parent Company.

In HY1, Mondo TV S.p.A. purchased from Mondo TV Suisse the exploitation rights for some territories of the animated series Robot Trains for Euro 350 thousand.

As at 30 June 2020, Mondo TV S.p.A. had payables to Mondo TV Suisse totalling Euro 1,053 thousand.

Transactions between the Parent and Mondo TV France S.A.

Mondo TV S.p.A. distributes the library of Mondo TV France in certain territories, such as Africa and the Middle East.

In HY1 2020, Mondo TV bought the exploitation rights for some territories of the animated series Lulù Vroumlette for Euro 250 thousand.

Mondo TV Producciones Canarias S.L.U.

In HY1, pre-production activities were carried out on behalf of Mondo TV S.p.A. for some animated series, which constitute an intangible asset for Mondo TV S.p.A.

11. STATEMENT OF RECONCILIATION OF CONSOLIDATED EQUITY WITH THE FIGURES OF THE PARENT COMPANY

The reconciliation of the Parent's period result and equity as at 30 June 2020 and that of the Group equity as at the same date is summarised in the table below:

(Euro thousands)

**CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2020**

FINANCIAL STATEMENTS AND NOTES

FINANCIAL STATEMENTS AND NOTES

Statement of financial position

Other liabilities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Changes in equity HY1 2019

Result for the period

F. CLOSING CASH AND CASH EQUIVALENTS

Non-current liabilities

Financial expenses

Consolidated cash flow statement with related parties

NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AS AT 30.06.2020

Note 1 Introduction

The Group is formed by the Parent Company Mondo TV S.p.A., a joint-stock company registered with the Office of the Register of Companies in Rome, listed on the Italian Stock Exchange (STAR segment), and the following companies subject to direct and/or indirect control:

- Mondo TV France S.A., based in Paris listed on the AIM Italy/Alternative Capital Market (hereinafter, "AIM Italy") organised and managed by Borsa Italiana S.p.A.;
- Mondo TV Suisse S.A., based in Lugano, also listed on the AIM Italy/Alternative Capital Market;
- Mondo TV Iberoamerica S.A., based in Madrid, since December 2016, listed on the Mercado Alternativo Bursatil (MAB) on the Madrid stock exchange;
- Mondo TV Toys S.A., based in Lugano, incorporated in 2016 and placed in voluntary liquidation on 26 June 2017;
- Mondo TV Producciones Canarias S.L.U., based in Tenerife, also incorporated in 2016 (controlled indirectly through Mondo TV Iberoamerica S.A.).
- Mars 1982 LTD based in Poole, Dorset (UK) 51% owned subsidiary from January 2020.

For the investments in Mondo TV France S.A., Mondo TV Suisse S.A. and Mondo TV Iberoamerica S.A., the following is the summary of the share price and market capitalisation as at 30 June 2020.

Company Name

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prepared by the subsidiaries have been adjusted, where necessary, by the Parent Company to make them adherent to the IFRS adopted by the Mondo TV Group.

In HY1 2020, the scope of consolidation changed due to the inclusion of the company Mars 1982, 51% owned and consolidated on a line-by-line basis.

Annex no. 4 of this Financial Report lists the companies included in the scope of consolidation, with indication of the consolidation methodology applied.

Note 3 Business continuity

The going concern assumption is a fundamental principle in the preparation of financial statements. On the basis of this assumption, technically the company is normally considered capable of continuing to carry on its business in the foreseeable future (at least 12 months from the reporting date) without there being any intention or need to put it into liquidation, cease business or subject it to bankruptcy proceedings as required by law or regulations. Assets and liabilities are therefore accounted for on the basis of the assumption that the company is able to realise its assets and meet its liabilities in the normal course of business.

In preparing the financial statements, management shall make an assessment of the entity's ability to continue as an operating entity. An entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease business, or has no realistic alternative but to do so. If management is aware, in making its assessments, of material uncertainties related to events or conditions that may cast significant doubt about the entity's ability to continue as an operating entity, the entity shall disclose those uncertainties.

The following are the elements or circumstances taken into consideration that may constitute a state of risk:

- a) the deterioration of the international economic environment;
- b) delays in the collection of trade receivables that arose in previous years;
- c) the Company's involvement in tax disputes which, if unsuccessful, could give rise to significant liabilities;
- d) the death of founder Orlando Corradi at the end of 2018 removed the creative figure of reference for Mondo TV S.p.A.

The Directors believe that the parent company Mondo TV S.p.A. and the Group as a whole have adequate financial strength and adequate resources to continue operating in the foreseeable future and, consequently, have adopted the going concern basis for the preparation of the consolidated financial statements as at 30 June 2020.

The assessments made by the Directors, who considered the going concern assumption in the preparation of the annual and consolidated financial statements of the Group to be adequate, are also based on the following indicators:

1. Financial indicators

- The group has liquid assets totalling Euro 5.7 million.
- Short-term financial indebtedness, which is not significant overall, is covered by assets.

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- There are no signs/indications of cessation of financial support from lenders and other creditors.
- The forms of payment are generally respected and no significant forms of credit recovery and/or enforcement have been activated.

2. Operating indicators

- Company operations are carried out in the normal way and on the basis of industry protocols and reference regulations.
- Ordinary activities show a positive and growing marginality.
- There are no difficulties in staffing or difficulties in maintaining the normal flow of supplies from major suppliers.

3. Other indicators

- The Group, and in particular the Parent Company Mondo TV S.p.A., are strongly capitalised (equity is well above the legal limits).
- Present tax disputes are managed carefully, also with the support of external experts.
- No legislative changes or government policies are expected to have an adverse effect on the Company.

In view of the above, the Directors, while taking into account the uncertainties caused by changes in the economic environment, due in part to the Covid 19 crisis, believe that it is reasonable to expect that the Company and the Group will have access to adequate financial resources to continue operating in the foreseeable future and, consequently, have adopted the going concern basis for the preparation of the consolidated financial statements at 30 June 2020.

Note 4 Accounting standards and measurement bases

The half-year financial report of the Mondo TV Group as at 30 June 2020 has been prepared in accordance with the provisions of article 154-ter paragraph 2 of Legislative Decree no. 58/97 - Consolidated Finance Act (TUF, Testo Unico sulla Finanza) - and subsequent amendments or additions. The condensed consolidated half-year financial statements at 30 June 2020, included in the half-year financial report, have been prepared on a going concern basis and in compliance with the International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union (defined as IFRS), as well as with the laws and regulations in force in Italy. The condensed half-year consolidated financial statements as at 30 June 2020 of the Mondo TV Group have been prepared in accordance with IAS 34 "Interim Financial Statements", issued by the International Accounting Standards Board (IASB) and consist of the consolidated statement of financial position, consolidated income statement, consolidated comprehensive income statement, consolidated cash flow statement, statement of changes in consolidated shareholders' equity and notes. In accordance with IAS 34, the notes are summarized and do not include all the information required in the annual financial statements, referring exclusively to components that, by amount, composition or variation, are essential for the purpose of

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understanding the Group's economic, financial and equity position. Therefore, this report should be read in conjunction with the consolidated financial statements prepared as at 31 December 2019.

In preparing this half-year report, the same accounting standards and measurement bases adopted in preparing the consolidated financial statements as at 31 December 2019 have been applied.

In interim situations, the estimate of income taxes is carried out by applying the tax rate expected for the interim result before taxes.

NEW STANDARDS AND INTERPRETATIONS ENDORSED BY THE EU AND IN FORCE FROM 1 JANUARY 2019

In accordance with IAS 8 (Accounting standards, changes in accounting estimates and errors), the IFRS effective from the 1 January 2019 are indicated and briefly illustrated below.

The impacts of the application, from 1 January 2019, of IFRS 16 (Leases) are instead outlined in the next note.

Amendments to IFRS 9 - Prepayment features with negative compensation

On 22 March 2018, EU Regulation no. 2018/498 was issued, which endorsed some limited amendments to IFRS 9 (Financial instruments) at EU level. These amendments permit an entity to measure financial assets that can be prepaid with negative compensation (e.g. debt instruments where the borrower is permitted to prepay for an amount that may be less than the outstanding debt including interest due) at amortised cost or fair value through other comprehensive income instead of at fair value through profit or loss. The adoption of said amendments has had no impact on the half-year consolidated financial statements as at 30 June 2019.

IFRIC 23 - Uncertainty on the treatment of income taxes

On 23 October 2018, EU Regulation no. 2018/1595 was issued, which endorsed IFRIC 23 at EU level. This interpretation governs how to account for uncertainty in accounting for income taxes. In this regard, IAS 12 - Income taxes specifies how to account for current taxes and deferred taxes but not the procedure to account for uncertainty effects.

For example, there may be some doubt:

- on how to apply tax law to particular transactions or circumstances, or
- whether the tax authorities will accept the treatment chosen/implemented by the entity. If the entity believes that it is not probable that the tax treatment applied will be accepted, then the entity shall use estimates (most probable value or expected value) in determining the tax treatment (taxable profits, tax base, unused tax losses, unused tax credits, tax rates, etc.). The decision should be based on the method that best assesses the outcome of the uncertainty.

The adoption of said interpretation has had no impact on the half-year consolidated financial statements as at 30 June 2019.

Amendments to IAS 28 - Long-term interests in associates and joint ventures

On 8 February 2019, EU Regulation no. 2019/237 was issued, which endorsed some limited amendments to IAS 28 (Investments in associates and joint ventures) at EU level. IFRS 9 excludes investments in associates and joint ventures that are accounted for under IAS 28. Accordingly, an entity applies IFRS 9 to other financial instruments held in respect of associates and joint ventures, including long-term interests (e.g. financial receivables), to which the equity method is not applied but which, in substance, form part of the net investment in those associates and joint ventures. The adoption of said amendments has had no impact on the half-year consolidated financial statements as at 30 June 2019.

Improvements to IFRS (2015-2017 Cycle)

On 14 March 2019, EU Regulation no. 2019/412 was issued, which endorsed at EU level some

improvements to IFRS, for the 2015-2017 cycle. In particular, the following are noted:

- Amendments to IFRS 3 Business combinations and IFRS 11 Joint arrangements: the amendments to IFRS 3 clarify that when an entity that is already a party to a jointly controlled activity obtains control of that activity that constitutes a business, the entity must remeasure at fair value the interest previously held in the jointly controlled activity. The amendments to IFRS 11 clarify that when an entity that participates in a jointly controlled activity obtains joint control of that activity that constitutes a business, the entity does not restate its previously held interests in that jointly controlled activity.
- Amendments to IAS 12 Income taxes: the amendments clarify that an entity must recognize taxes on dividends in the separate income statement, or in other comprehensive income or in equity depending on how the transaction/event that resulted in the distributable profits that generated the dividends was accounted for.
- Amendments to IAS 23 Financial expenses: the amendments clarify that if any specific loan remains outstanding after the related asset is ready for its intended use or sale, that loan becomes part of the funds an entity uses when calculating the capitalisation rate on general purpose loans.

The adoption of said amendments has had no impact on the condensed half-year consolidated financial statements as at 30 June 2019.

Amendments to IAS 19 - Plan amendment, curtailment or settlement

On 13 March 2019, EU Regulation no. 2019/402 was issued, which endorsed some limited amendments to IAS 19 (Employee benefits) at EU level. These amendments relate to amendments, curtailments or settlements of defined benefit plans.

The amendments require an entity in the event of a plan amendment, curtailment or settlement to use the updated assumptions in this remeasurement to determine the current service cost and net interest for the remaining reporting period after the plan amendment.

The adoption of said amendments has had no impact on the condensed half-year consolidated financial statements as at 30 June 2019.

NOTE 5 USE OF ACCOUNTING ESTIMATES

The preparation of the condensed half-year consolidated financial statements requires the Directors to make estimates and assumptions that affect the amounts of assets and liabilities in the financial statements and related disclosure, and contingent assets and liabilities at the reporting date. The estimates and related assumptions are based on previous experience and on other factors that are considered to be reasonable in the present case and are adopted when the accounting value of assets and liabilities cannot be easily inferred from other sources. Therefore, the actual results achieved may differ from said estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are reflected in the income statement if it only involves that year. In the event that the review affects years, both current and future, the change is recognised in the year in which the review is carried out and in the related future years.

Actual results may differ even substantially from these estimates due to changes in the factors considered when determining said estimates.

Some valuation procedures, in particular the more complex ones such as determining any impairment of non-current assets, are generally carried out fully only in the preparation of the annual consolidated financial statements, except in cases where there are impairment indicators that require an immediate estimate of any updates.

Note 6 Seasonality of activities

The activity carried out by the Group is not cyclical and the business is not considered highly seasonal; therefore, these consolidated half-year financial statements do not include the additional information required by IAS 34.16A (b) and the additional financial information required by IAS 34.21.

Note 7 Intangible assets and property, plant and equipment

The breakdown of changes in intangible rights and other intangible assets is shown in the table below.

Changes in intangible assets

The breakdown of changes in tangible assets is presented in the table below.

Changes in tangible assets

Net value as at 30.06.2020

(Euro thousands)

Receivables due from others can be broken down as follows:

Breakdown of receivables due from others

Breakdown of cash and cash equivalents

In particular:

- a) The Extraordinary Shareholders' Meeting of 6 September 2016 of the Parent Company approved the issue of a bond convertible into newly issued ordinary shares of the Company pursuant to article 2420-bis, paragraph 1, of the Italian Civil Code with the exclusion of option rights pursuant to article 2441, paragraphs 5 and 6, of the Italian Civil Code, reserved for Atlas Alpha Yield Fund, and/or for a third party, for a maximum amount of Euro 15 million, including share premium, to be paid, even in more than one tranche, through the issue of new ordinary Mondo TV shares with a nominal value of Euro 0.50 each, with the same rights and characteristics as the ordinary Mondo TV shares outstanding at the issue date, establishing that the number of shares to be issued will be determined on a case-by-case basis according to the mechanism set out in the Bond Regulations.

The undersigned agreement also provides for the issue of 3 warrants to be assigned free of charge to Atlas Alpha Yield Fund together with the first tranche of the convertible bonds - and/or to a third party other than Atlas, as may be designated under the existing agreements or as the assignee of the same - which will give the bearer the right to subscribe to a further maximum of 1,070,000 ordinary Mondo TV shares, with a nominal value of Euro 0.50 each, newly issued as follows:

- 215,000 Mondo TV S.p.A. shares at a price of Euro 6.50 per share, including premium;
- 640,000 Mondo TV S.p.A. shares at a price of Euro 8.00 per share, including premium;
- 215,000 Mondo TV S.p.A. shares at a price of Euro 10.00 per share, including premium,

exercisable during the period from 1 April 2018 to 1 April 2021, under the terms and conditions set out in the relevant regulation

- b) The Extraordinary Shareholders' Meeting of 21 May 2018 of the Parent Company approved the issuance of a bond convertible cum warrant into newly issued ordinary shares of the Company pursuant to article 2420-bis, paragraph 1, of the Italian Civil Code with the exclusion of option rights pursuant to article 2441, paragraphs 5 and 6, of the Italian Civil Code, reserved for a single qualified investor, Atlas Special Opportunities LLC and/or third parties that may be designated, for a maximum nominal amount of Euro 18,000,000, represented by a maximum total of 72 convertible bonds with a nominal value of Euro 250,000 each.

At the same time as the issue of the first tranche of Bonds, the contract signed also provides for the free issue to Atlas of 450,000 Warrants that will confer the right to subscribe, in the period of 5 years from their issue, an ordinary share of the Company, therefore up to a maximum number of 450,000 ordinary shares of Mondo TV S.p.A. at the price of Euro 7.50 which, subject to adjustments, will have a maximum counter-value of Euro 3,375,000 (including the share premium).

No shares having different categories, nor rights, privileges or restrictions exist for any category of shares. The Parent owns no treasury shares, nor do the Mondo TV Group's subsidiaries hold shares of the Parent.

Equity reserves are broken down as follows:

Equity reserves (including the result for the period)

Profit (loss) for the year

Note 14 Post-employment benefits and Provisions for risks and charges

The item is broken down as follows.

Post-employment benefits and Provisions for risks and charges

With regard to payables for finance leases IFRS 16, please refer to the relevant paragraph in these notes.

A breakdown of trade payables is provided below:

Breakdown of trade payables

Note 16 Other liabilities

The item "Other liabilities" refers to deferred income, i.e. portions of revenue for royalty rights invoiced at the end of the period but deemed, pursuant to the revenue recognition principle adopted, to accrue in future years since the relevant media have not been delivered yet.

Note 17 Tax position

In HY1, Mondo TV S.p.A. underwent an audit by the Revenue Agency aimed at the offsets made in 2014 with the use of tax credits resulting from the transformation of deferred tax assets. The audit was concluded with the issuance, on 23 May 2019, of an assessment notice highlighting the disputes relating to the year 2014 for an amount of approximately Euro 1.1 million plus penalties and interest.

The same notice contains a communication to the offices and the company regarding the use of the tax credit in other years for the period 2012-2019.

On 20 December 2019, the Revenue Agency issued in relation to this notice, communication of recovery of the offsets made in 2012 through the tax credit generated by the conversion of deferred tax assets (DTA) into tax credits carried out pursuant to article 2, paragraphs 55-58, Decree Law No. 225/2010, for an amount of Euro 2,328 thousand plus penalties of Euro 2,328 thousand and interest of Euro 678 thousand for a total amount of Euro 5,336 thousand.

On 10 February 2020, an ample appeal was promptly filed against the aforementioned notice, since, in the opinion of the professionals in charge of defending the company against the litigation, there were very valid elements both of a formal nature (relating to the forfeiture of the taxation power) and of a substantial nature (relating to the formation of DTA statutory credits and their conversion into DTA tax credits), to oppose the subject matter of the recovery notice. In any case, the appeal was preceded by a request for self-defence, in order to keep the dialogue with the Agency open, which also continued by sending further documentation.

In view of the above, the risk of losing the case has been assessed by the Directors, also taking into account the opinion of the consultants appointed, as possible but not probable. Consequently, no provision has been made in the financial statements.

Note 18 Contingent liabilities

Directors believe that there are no significant contingent liabilities that must be described in this commentary other than those recognised in paragraph 2.8.11 relative to the Provision for Risks and Charges and paragraph 2.8.14 relative to Tax position.

Note 19 Commitments

Commitments undertaken by the Group and not recognised under payables or provisions for risks and charges refer to:

- a guarantee of Euro 304 thousand for a short-term credit line to be used as a self-liquidating loan issued by Confartigianato Fidi in favour of Veneto Banca (now Intesa San Paolo);

Note 20 Revenues from sales and services and other operating revenues

These totalled Euro 11,110 thousand at 30 June 2020, a net increase of Euro 145 thousand compared to HY1 of the previous year:

Revenue from sales and services

(Euro thousands)

Executives

Total

Prepaid (deferred) taxes

Note 32 Analysis of financial risks (IFRS 7)

For the analysis of financial risks, reference is made to the Report on Operations prepared by the Directors of the Parent Company.

Note 33 Significant events after HY end

For the analysis of significant events after HY end, reference is made to the report on operations prepared by the Directors of the Parent Company.

On behalf of the Board of Directors of Mondo TV S.p.A.
Chief Executive Officer

(Matteo Corradi)

ANNEXES

1. CORPORATE BODIES AND COMMITTEES OF THE PARENT

Board of Directors¹

Chair and CEO

Matteo Corradi

Directors

Monica Corradi

Aurelio Fedele²

Angelica Mola³

Carlo Marchetti

Internal Control Committee

Chair

Aurelio Fedele

Members

Angelica Mola

Remuneration Committee

Chair

Angelica Mola

Members

Aurelio Fedele

Supervisory Body (Legislative Decree 231/2001)

Aurelio Fedele - Chair

Paolo Zecca - Member

Samantha Gioia Perri - Member

Investor Relator

Piergiacomo Pollonio

Board of Statutory Auditors⁴

Maurizio Bernardo (Chair)

Adele Barra

Alberto Montuori

Independent Auditors⁵

BDO Italia S.p.A.

Sponsor and Specialist

Banca Finnat

¹In office until the approval of the Financial Statements at 31.12.2020

²Independent Director

³Independent Director

⁴In office until the approval of the Financial Statements at 31.12.2022

⁵Assignment for the financial years, until the approval of the financial statements at 31.12.2023

2. POWERS AND CORPORATE GOVERNANCE

Powers

Mondo TV S.p.A. appointed as Chair and Chief Executive Officer Matteo Corradi, with all the powers for the ordinary and extraordinary administration of the Company, excluding only those that are strictly reserved to the Board of Directors by law, as well as the transactions having a significant impact in terms of performance, financial position and cash flows, and all transactions with related parties.

Corporate Governance

The Corporate Governance system, still being implemented, is inspired by the recommendations provided by the relevant committee of listed companies that drafted the Corporate Governance Code as well as by the subsequent legal provisions on the governance of listed Companies.

The Company is directed by a Board of Directors currently consisting of 5 members, as resolved by the General Meeting of 30 April 2018.

Mondo TV S.p.A.'s Board of Directors is the body responsible for defining the strategic, organisational, and operational policies, as well as verifying the existence and adequacy of the control systems necessary to assess the performance of the Parent and of the subsidiaries. In particular, the Board of Directors:

- delegates powers and duties to the directors and revokes them;
- determines, having consulted the Board of Statutory Auditors, and at the proposal of the Remuneration Committee, the directors' remuneration in conformity with art. 2389 of the Italian Civil Code para.3;
- examines and approves the strategic plans of the subsidiaries and the corporate structure of the Group;
- supervises whether operations are properly conducted and specifically approves the transactions of particular interest in terms of performance and financial position;
- assesses whether the general organisational and administrative structure is adequate;
- supervises in particular any actual or potential conflict of interest and the transactions with related parties;
- reports to the shareholders in the Shareholders' Meeting.

The Articles of Association in force reserve to non-controlling interests the right to appoint a director.

The Board of Directors is quorate when the absolute majority of the directors in office is present, and resolutions are passed with the favourable vote of the majority of those present. In case of a tie vote, the chair of the meeting shall cast the deciding vote.

The Board of Directors' meeting of 14 May 2018 appointed both the Internal Control Committee and the Remuneration Committee.

The duties of the Internal Control Committee are as follows:

- assess the adequacy of the Company's internal control procedures;
- examine and select the proposals from Auditing Firms to be appointed as Independent Auditors, submitting a recommendation to the Board;
- submit every six months a report to the Board on its work and the internal control proposals resolved upon;
- engage in all relationships with the Independent Auditors and perform any other duty delegated to it for that purpose by the Board of Directors.

The duties of the Remuneration Committee consist in making proposals on the remuneration of the members of the Board of Directors.

All members of the Control Committee and of the Remuneration Committee are non-executives, and are also independent pursuant to the Corporate Governance Code.

The Chair and the Chief Executive Officer define the remuneration of subordinates within the scope of their delegated powers.

The Chair of the Board of Directors is responsible for calling the board's meetings, setting their agenda beforehand, coordinating the activities of the Board, and chairing the meetings.

During the formal and informal Board of Directors' meetings, the Chair ensures that each member of the Board of Directors and of the Board of Statutory Auditors has as much information as possible on the Company's operations and, in particular, on the Chair activities in carrying out his duties.

During each meeting, the Board of Directors appoints, from time to time, a minute taker.

In accordance with the Articles of Association, the Board of Statutory Auditors consists of three standing auditors and of two alternate auditors appointed by the General Meeting, which also establishes their remuneration.

The Articles of Association in force reserve to the non-controlling interest the right to appoint a standing auditor and an alternate auditor.

The board is appointed through the presentation of lists. Those shareholders who, alone or together with others, represent at least 2% of voting rights, have the right to present lists.

The lists presented must be deposited along with the curricula vitae of the candidates at the registered office at least ten days before the date scheduled for the Shareholders' Meeting on first call.

The statutory auditors are aware that they must:

- act autonomously and independently also when dealing with the shareholders who appointed them;
- work only in the Company's interests;
- monitor how the Board of Directors manages the Company;
- coordinate with the Independent Auditors and the Internal Control Committee.

The current Board of Statutory Auditors was appointed by the Shareholders' Meeting of 13 May 2020 and will remain in office until the Shareholders' Meeting that will approve the Financial Statements as at 31 December 2022.

The Investor Relations department, currently headed by Piergiacomo Pollonio, was set up to facilitate the dialogue between the Company, shareholders and institutional investors.

At least every six months, the Company arranges meetings with the financial community, during which it illustrates the results obtained and its future strategies, and it holds bilateral meetings with institutional investors whenever requested.

In the period from 1 January to 11 September 2020, the Board of Directors met 4 times. The Articles of Association do not provide for a minimum frequency of the Board of Directors' meetings. The delegated bodies have reported to the Board of Directors during the aforementioned meetings and in any case with the minimal quarterly frequency required by the Corporate Governance Code. The directors were informed on the items on the agenda with sufficient prior notice.

The current Board of Directors of Mondo TV S.p.A. will remain in office until the approval of the Financial Statements as at 31 December 2020, as resolved by the Shareholders' Meeting of 30 April 2018.

On 28 March 2008, the Parent's Board of Directors also implemented an organisational model pursuant to Legislative Decree 231/2001, which governs the administrative liability of legal entities, companies and associations, and indicates the rules and procedures to be complied with while carrying out the company's operations for a more correct and efficient management, also with the aim of relieving the Company from any liability under the aforementioned law. The organisational model requires the adoption of a code of ethics, which is available on the Company's website. A Supervisory Body, consisting of three members, verifies the execution and implementation of the model.

3. CORPORATE BODIES OF THE SUBSIDIARIES

Mondo TV Suisse S.A.

4. LIST OF THE EQUITY INVESTMENTS IN THE SCOPE OF CONSOLIDATION

All the equity investments listed below were consolidated line-by-line.

List of the equity investments held as at 30.06.2020

5. LIST OF RELATED PARTIES

Trilateral Land S.r.l.

FINANCIAL STATEMENTS OF THE PARENT MONDO TV S.P.A.

Statement of financial position

Current financial payables on leased assets

STATEMENT OF CHANGES IN EQUITY

Changes in equity HY1 2019

Cash flow statement

Net financial position

Certification of the condensed half-year consolidated financial statements as at 30 June 2020 in compliance with article 154-bis, paragraph 5 of Legislative Decree no. 58/1998 as subsequently amended and supplemented

1. The undersigned Matteo Corradi and Carlo Marchetti, in their respective capacities as CEO and Financial Reporting Manager of Mondo TV S.p.A. (the Company or the Issuer) certify, also taking into account the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree 24 February 1998, no. 58:

- the adequacy in relation to the characteristics of the company and
- the effective implementation of the administrative and accounting procedures for the preparation of the condensed half-year consolidated financial statements as at 30 June 2020 in HY1 2020.

2. The administrative and accounting procedures for the preparation of the condensed half-year consolidated financial statements as at 30 June 2020 have been defined and the assessment of their adequacy has been carried out on the basis of the standards and methodologies defined by Mondo TV in accordance with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which represents a generally accepted international reference framework for the internal control system.

2. No significant aspects have emerged.

3. It is also certified that:

3.1 the condensed half-year consolidated financial statements:

- have been prepared in compliance with the applicable international accounting standards recognised in the EU pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (International Financial Reporting Standards - IFRS), as well as the laws and regulations in force in Italy, also with particular reference to the provisions issued in implementation of article 9 of Legislative Decree 28 February 2005, no. 38;
- are consistent with the entries in accounting books and records;
- provide a true and fair representation of the equity, economic and financial situation of the Issuer and the whole of the companies included in the scope of consolidation.

3.2 The Interim Report on Operations contains a reliable analysis of the key events that took place in HY1 2020 and of their impact on the condensed half-year consolidated financial statements as at 30 June 2020, together with a description of the main risks and uncertainties for the remaining six months of 2020. The Report on Operations also includes reliable disclosure on significant transactions with related parties.

11 September 2020

CEO
Matteo Corradi

Financial Reporting Manager
Carlo Marchetti