# INTERIM REPORT ON OPERATIONS

# Q1 2019

**APPROVED BY THE BOARD OF DIRECTORS ON 13 MAY 2019**

## SUMMARY


| | | |
|---|---|---|
| | **SUMMARY** | **2** |
| **1.** | **HIGHLIGHTS** | **3** |
| **2.** | **INTRODUCTION** | **5** |
| 2.1 | General and methodological introduction | 5 |
| 2.2 | Accounting standards and measurement bases | 6 |
| 2.3 | Consolidation scope and criteria | 7 |
| 2.4 | Estimated figures | 7 |
| **3.** | **STATEMENTS OF QUANTITATIVE FIGURES** | **8** |
| 3.1 | Statement of financial position at 31 March 2019 | 8 |
| 3.2 | Changes in the Group's net financial position | 9 |
| 3.3 | Analysis of changes in intangible assets | 9 |
| 3.4 | Income statement Q1 2019 | 10 |
| 3.5 | Cash flow statement Q1 2019 | 11 |
| **4.** | **EXPLANATORY AND SUPPLEMENTARY NOTES** | **12** |
| 4.1 | General description of the Group's financial position and performance | 12 |
| 4.2 | Significant events and transactions in Q1 2019 and their impact on the Group's financial position | 13 |
| 4.3 | Events after quarter-end and short-term outlook | 14 |


## ANNEXES


| | | |
|---|---|---|
| 1. | Parent company condensed financial statements | 16 |
| 2. | Corporate bodies of the parent company Mondo TV S.p.A. | 17 |
| 3. | Corporate bodies of subsidiaries | 18 |

## 1. HIGHLIGHTS

| Reclassified condensed consolidated income statement | | |
|---|---|---|
| *(Euro thousands)* | **Q1 2019** | **Q1 2018** |
| **Revenues** | 4,154 | 7,800 |
| **Capitalisation of internally produced animated series** | 851 | 590 |
| **Operating costs** | (2,007) | (1,784) |
| **EBITDA** | **2,998** | **6,606** |
| Amortisation and depreciation, impairment, and provisions | (1,245) | (1,648) |
| **EBIT** | **1,753** | **4,958** |
| Net finance income (expenses) | (87) | (113) |
| **Profit (loss) of the period before tax** | **1,666** | **4,845** |
| Income tax expense | (624) | (1,744) |
| **Net profit (loss) for the period** | **1,042** | **3,101** |
| Profit (loss) for the year attributable to non-controlling interests | 68 | (83) |
| **Profit (loss) attributable to owners of the Parent** | **974** | **3,184** |

| Reclassified condensed consolidated statement of financial position | | |
|---|---|---|
| *(Euro thousands)* | **31.03.2019** | **31.12.2018** |
| **Non-current fixed assets** | **48,806** | **45,997** |
| Current assets | 26,364 | 24,771 |
| Current liabilities | (23,302) | (22,137) |
| **Net working capital** | **3,062** | **2,634** |
| **Non-current liabilities** | **(557)** | **(611)** |
| **Invested capital** | **51,311** | **48,020** |
| Net financial position | 6,044 | 8,065 |
| **Shareholders' equity** | **57,355** | **56,110** |
| Non-controlling interests | (952) | (2,071) |
| **Equity attributable to owners of the Parent** | **58,307** | **58,181** |

| Consolidated cash flow statement | | |
|---|---|---|
| (Euro thousands) | Q1 2019 | Q1 2018 |
| A. OPENING CASH AND CASH EQUIVALENTS | 12,463 | 2,408 |
| Cash flow from (used in) operating activities before changes in working capital | 2,235 | 4,765 |
| B. NET CASH FROM (USED IN) OPERATING ACTIVITIES | 2,096 | 520 |
| C. NET CASH FROM (USED IN) INVESTING ACTIVITIES | (4,319) | (3,293) |
| D. NET CASH FROM (USED IN) FINANCING ACTIVITIES | 2,446 | 4,088 |
| E. NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS (B+C+D) | 223 | 1,315 |
| F. CLOSING CASH AND CASH EQUIVALENTS | 12,686 | 3,723 |

## 2. INTRODUCTION

### *2.1 General and methodological introduction*

This interim report on the Group's operations in the first quarter of 2019 is on a consolidated basis and has been prepared in accordance with article 154-ter, paragraph 5 of Legislative Decree 58/1998 (CFA), as amended by Legislative Decree 195/2007, which implemented Directive 2004/109/EC (Transparency Directive) and takes into account the communication from CONSOB, the accounting rules office, dated 30.4.2008.

It consists of a number of statements containing quantitative figures and explanatory and supplementary notes.
The purpose of the interim report on operations is to provide a general description of the financial position and performance of the Mondo TV Group during the period under review and to illustrate the significant events and transactions that took place during the period under review and their impact on the Group's financial position.

The income statement figures are shown with reference to the three months of the current year 2019 and are compared to the corresponding period of the previous year 2018.
The net financial position figures are compared with the closing figures for the previous year (31.12.2018).
All economic and financial figures are provided on a consolidated basis and are shown in Euro thousands.

The interim report on operations has not been audited.

This report is expressed in Euro (€), as this is the currency in which most of the Group's transactions are conducted. Operations abroad are included in the consolidated financial statements in compliance with the standards indicated in the following notes.

The items indicated in the reclassified financial statements presented above are in part taken from the statutory 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 statutory financial statements are shown below.
**Current assets:** the sum of closing inventories, trade receivables, tax assets, and other assets.
**Current liabilities:** the sum of trade payables, tax payables and other liabilities.
**Non-current liabilities:** the sum of provisions for risks and charges (including current) and deferred tax liabilities.
**Net financial position:** the sum of financial receivables, cash and cash equivalents, current and non-current financial payables.
**Revenues:** the sum of revenues from sales and services, other revenues, change in inventories.
**Operating costs:** the sum of consumable raw materials, personnel costs and other operating costs.
**Amortisation, depreciation, impairment and provisions:** the sum of amortisation and impairment of intangible assets, depreciation and impairment of property, plant and equipment, and the allowance for doubtful debts.
**Gross operating margin (EBITDA):** the difference between operating revenues and costs as defined above.
**Operating result (EBIT):** the difference between EBITDA and amortisation, depreciation, impairment and provisions as defined above.

It is noted that the items mentioned above, such as EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation), EBIT, and net financial position are usually identified without having a consistent definition in the accounting standards or in the Italian Civil Code, and that therefore, they may not be comparable with items of the same name reported by other companies.

**ANNEXES**

In order to supplement the information contained in the report, the following statements and documents are annexed:
**Annex 1):** summary financial statements of the parent company Mondo TV S.p.A.
**Annex 2):** corporate bodies of the parent company Mondo TV S.p.A.
**Annex 3):** corporate bodies of subsidiaries

***2.2 Accounting standards and measurement bases***

The income statement and statement of financial position figures presented in the interim report on operations have been determined in accordance with the International Financial Reporting Standards (hereinafter referred to as IFRS or international accounting standards) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with the procedure set out in article 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and pursuant to article 9 of Legislative Decree 38/2005.

The interim report on operations does not qualify as interim financial statements pursuant to IFRS and, in particular, IAS 34.
The term IFRS encompasses all International Financial Reporting Standards, all International Accounting Standards (IAS) and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) endorsed by the European Commission as of the date of approval of the Interim Report on Operations.

The valuation of financial statement items was based on general prudence and accrual criteria, on a going concern basis.
Application of the principle of prudence has resulted in the individual valuation of the elements making up the individual items or items of assets and liabilities, in order to avoid offsetting losses that should have been recognised with unrealised gains.
In compliance with the accrual principle, the effect of transactions and other events was accounted for and allocated to the period to which such transactions and events refer, and not to the period in which the related cash movements (collections and payments) take place.

With regard to the criteria adopted for the valuation of the individual items of the statement of financial position and income statement, they are unchanged from those adopted when preparing the separate and consolidated financial statements at 31.12.2018. Reference is therefore made to said statements for an analytical description.

### *2.3 Consolidation scope and criteria*

The financial statements of the consolidated companies as submitted by their respective Boards of Directors, have been used to prepare the interim report on operations at 31 March 2019. The financial statements prepared by the subsidiaries have been adjusted, where necessary, by the Parent Company to make them adherent to the IFRS.

Subsidiaries are all the companies (including special purpose entities) in relation to which the Group has the power to govern the financial and operating policies, generally with a shareholding of at least half plus one of the actual or potential voting rights in the Shareholders' Meeting. The subsidiaries are consolidated starting from the date when the Group acquires control. They will be deconsolidated on the date when such control is lost.
Intercompany balances, transactions, and unrealised net gains from intercompany transactions, are eliminated.
Equity and the profit (loss) for the year attributable to non-controlling interests are presented separately in the statement of financial position and in the income statement of the consolidated financial statements.
There are no jointly controlled companies.

The subsidiaries were consolidated using the line-by-line method.
The assets and liabilities, expenses and income of the companies consolidated on a line-by-line basis are fully included in the consolidated financial statements, and the book value of equity investments is eliminated against the corresponding portion of the shareholders' equity of the investee companies, attributing to the individual assets and liabilities their current value on the date control was acquired. Any residual difference, if positive, is recorded under non-current assets as goodwill and consolidation differences, if negative it is charged to the income statement.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those adopted by the group.

Intra-group transactions, as well as those with related parties, were carried out on an arm's length basis, while no atypical transactions were carried out.

### *2.4 Estimated figures*

In general, it has not been necessary to use estimates and assumptions in preparing these financial statements since the accounting figures are available from the Group's IT accounting system, with the following significant exceptions:

- Deferred tax assets are recognised in financial statements to the extent they are likely to be recovered; in particular, the recognition of deferred tax assets reflects the assessments made by the Board of Directors of the Parent Company and by the competent bodies of the other group companies regarding the presence of future taxable income generated by the activities of the companies so as to allow the recovery thereof.

## 3. STATEMENTS OF QUANTITATIVE FIGURES

### *3.1 Statement of financial position at 31 March 2019 and comparisons with 2018*

**Statement of financial position**

| (Euro thousands) | 31/03/2019 | 31/12/2018 |
|---|---|---|
| **Non-current assets** | | |
| *- Intangible rights* | *33,954* | *30,888* |
| *- Other intangible assets* | *41* | *29* |
| Intangible assets | 33,995 | 30,917 |
| Tangible assets | 364 | 369 |
| Deferred tax assets | 14,415 | 14,680 |
| Receivables | 31 | 31 |
| | **48,805** | **45,997** |
| **Current assets** | | |
| Trade receivables | 21,913 | 20,622 |
| Tax assets | 3,731 | 3,688 |
| Other assets | 721 | 462 |
| Cash and cash equivalents | 12,686 | 12,463 |
| | **39,051** | **37,235** |
| **Total assets** | **87,856** | **83,232** |
| *- Share capital* | *18,207* | *18,207* |
| *- Share premium provision* | *45,868* | *45,868* |
| *- Legal reserve* | *3,062* | *3,062* |
| *- Other reserves* | *9,774* | *9,774* |
| *- Retained earnings (losses)* | *(19,579)* | *20,784* |
| *- Profit (loss) for the year* | *974* | *(39,514)* |
| Equity attributable to owners of the Parent | 58,306 | 58,181 |
| Non-controlling interests | (952) | (2,071) |
| **Total equity** | **57,354** | **56,110** |
| **Non-current liabilities** | | |
| Provision for post-employment benefits | 492 | 545 |
| Deferred tax liabilities | 66 | 66 |
| Financial payables | 3,574 | 1,322 |
| | **4,132** | **1,933** |
| **Current liabilities** | | |
| Provisions for risks and charges | 27 | 27 |
| Trade payables | 22,513 | 21,631 |
| Financial payables | 3,068 | 3,076 |
| Tax liabilities | 762 | 455 |
| | **26,370** | **25,189** |
| **Total liabilities** | **30,502** | **27,122** |
| **Total liabilities + equity** | **87,856** | **83,232** |

### *3.2 Changes in the Group's net financial position*

**Consolidated net financial position**

| *(Euro thousands)* | **31.03.2019** | **31.12.2018** |
|---|---|---|
| Cash and cash equivalents | 12,686 | 12,463 |
| Current financial payables due to banks | (3,068) | (3,076) |
| **Net current financial position** | **9,618** | **9,387** |
| Non-current payables due to banks | (3,574) | (1,322) |
| **Net non-current financial position** | **(3,574)** | **(1,322)** |
| **Net financial debt as per comm. Consob DEM/6064293** | **6,044** | **8,065** |
| Non-current receivables due from third parties | 0 | 0 |
| **Consolidated net financial position** | **6,044** | **8,065** |

### *3.3 Analysis of changes in intangible assets*

**Changes in intangible assets**

| *(Euro thousands)* | **Intangible rights** | **Intangible rights in progress** | **Other intangible assets** | **TOTAL** |
|---|---|---|---|---|
| Cost as at 31/12/2016 | 165,155 | 12,407 | 1,222 | 178,784 |
| Amortisation and impairment as at 31/12/2016 | (146,209) | | (1,219) | (147,428) |
| **Net value 31/12/2016** | **18,946** | **12,407** | **3** | **31,356** |
| *Year 2017* | | | | |
| Increases in the period | 18,959 | | 10 | 18,969 |
| Amortisation and impairment in the period | (6,176) | | (1) | (6,177) |
| Reclassifications | | | | |
| Cost as at 31/12/2017 | 184,114 | 12,407 | 1,232 | 197,753 |
| Amortisation and impairment as at 31/12/2017 | (152,385) | | (1,220) | (153,605) |
| **Net value 31/12/2017** | **31,729** | **12,407** | **12** | **44,148** |
| *Year 2018* | | | | |
| Increases in the period | 28,451 | | 19 | 28,470 |
| Amortisation and impairment in the period | (41,699) | | (2) | (41,701) |
| Reclassifications | 12,407 | (12,407) | | 0 |
| Cost as at 31/12/2018 | 212,565 | 0 | 1,251 | 213,816 |
| Amortisation and impairment as at 31/12/2018 | (181,677) | | (1,222) | (182,899) |
| **Net value 31/12/2018** | **30,888** | **0** | **29** | **30,917** |
| *Year 2019* | | | | |
| Increases in the period | 4,282 | | 12 | 4,294 |
| Amortisation and impairment in the period | (1,216) | | 0 | (1,216) |
| Reclassifications | | | | 0 |
| Cost as at 31/03/2019 | 216,847 | 0 | 1,263 | 218,110 |
| Amortisation and impairment as at 31/03/2019 | (182,893) | | (1,222) | (184,115) |
| **Net value 31/03/2019** | **33,954** | **0** | **41** | **33,995** |

### *3.4 Income statement Q1 2019*

| **Consolidated income statement** | | |
|---|---|---|
| *(Euro thousands)* | **Q1 2019** | **Q1 2018** |
| Revenue from sales and services | 4,138 | 7,799 |
| Other income | 16 | 1 |
| Capitalisation of internally produced animated series | 852 | 590 |
| Raw materials, consumables and goods | (11) | (17) |
| Personnel costs | (914) | (786) |
| Amortisation and impairment of intangible assets | (1,216) | (1,516) |
| Depreciation and impairment of tangible assets | (30) | (32) |
| Allowance for doubtful debts | 0 | (100) |
| Other operating costs | (1,082) | (981) |
| **EBIT** | **1,753** | **4,958** |
| **Financial income** | 0 | 0 |
| **Financial expenses** | (87) | (113) |
| **Profit (loss) of the period before tax** | **1,666** | **4,845** |
| Income tax expense | (624) | (1,744) |
| **Net profit for the period** | **1,042** | **3,101** |
| Profit (loss) for the year attributable to non-controlling interests | 68 | (83) |
| **Profit (loss) attributable to owners of the Parent** | **974** | **3,184** |

### *3.5 Cash flow statement Q1*

| Consolidated cash flow statement | | |
|---|---|---|
| **(Euro thousands)** | **Q1 2019** | **Q1 2018** |
| **A. OPENING CASH AND CASH EQUIVALENTS** | **12,463** | **2,408** |
| Group profit (loss) of the period | 974 | 3,184 |
| Profit (loss) for the year attributable to non-controlling interests | 68 | (83) |
| Total profit (loss) of the period | 1,042 | 3,101 |
| Depreciation, amortisation and impairment | 1,246 | 1,648 |
| Net change in provisions | (53) | 16 |
| **Cash flow from (used in) operating activities before changes in working capital** | **2,235** | **4,765** |
| (Increase) decrease in trade receivables | (1,291) | (5,187) |
| (Increase) decrease in tax assets | 222 | 1,141 |
| (Increase) decrease in other assets | (259) | (33) |
| Increase (decrease) in trade payables | 882 | (227) |
| Increase (decrease) in tax liabilities | 307 | 61 |
| **B. NET CASH FROM (USED IN) OPERATING ACTIVITIES** | **2,096** | **520** |
| (Acquisition) / Disposal of | | |
| - Intangible assets | (4,294) | (3,246) |
| - Tangible assets | (25) | (47) |
| **C. NET CASH FROM (USED IN) INVESTING ACTIVITIES** | **(4,319)** | **(3,293)** |
| Changes in capital | 202 | 2,368 |
| Increase (decrease) in financial payables | 2,244 | 1,720 |
| **D. NET CASH FROM (USED IN) FINANCING ACTIVITIES** | **2,446** | **4,088** |
| **E. NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS (B+C+D)** | **223** | **1,315** |
| **F. CLOSING CASH AND CASH EQUIVALENTS** | **12,686** | **3,723** |

## 4. EXPLANATORY AND SUPPLEMENTARY NOTES

### *4.1 General description of the Group's financial position and performance*

The following table represents Q1 2019 compared to the corresponding period in 2018:

| **Reclassified condensed consolidated income statement** | | |
|---|---|---|
| *(Euro thousands)* | **Q1 2019** | **Q1 2018** |
| **Revenues** | 4,154 | 7,800 |
| **Capitalisation of internally produced animated series** | 851 | 590 |
| **Operating costs** | (2,007) | (1,784) |
| **EBITDA** | **2,998** | **6,606** |
| Amortisation and depreciation, impairment, and provisions | (1,245) | (1,648) |
| **EBIT** | **1,753** | **4,958** |
| Net finance income (expenses) | (87) | (113) |
| **Profit (loss) of the period before tax** | **1,666** | **4,845** |
| Income tax expense | (624) | (1,744) |
| **Net profit (loss) for the period** | **1,042** | **3,101** |
| Profit (loss) for the year attributable to non-controlling interests | 68 | (83) |
| **Profit (loss) attributable to owners of the Parent** | **974** | **3,184** |

The production value in the period amounted to approximately Euro 5 million, in line with the new business plan approved on 10 December 2018, down 47% compared to the first three months of 2018 as the new business plan envisages lower revenues but also a lower overall level of investments; it should be noted that 2018 ended with a significant loss due to the significant reduction in turnover in the second half of the year, while the new business plan envisages a net profit of approximately Euro 4 million for 2019.

EBITDA amounted to approximately Euro 3 million, a decrease of 55% compared to approximately Euro 6.6 million in the first six months of 2018 due to the reasons outlined above.

EBIT was approximately Euro 1.8 million, down 65% compared to approximately Euro 5 million in the first three months of 2018.

Net income was approximately Euro 1 million compared to approximately Euro 3.2 million in the first three months of 2018, and in line with the Group's new business plan.

The net financial position was Euro 6 million of net cash compared to Euro 8.1 million of net cash at 31 December 2018.

The Group's equity amounted to 58.3 million in line with 31 December 2018.

With regard to the parent company Mondo TV S.p.A.:

The production value in the period amounted to approximately Euro 3 million, down 56% compared to the first three months of 2018 as the new business plan envisages lower revenues but also a lower overall level of investments; it should be noted that 2018 ended with a significant loss due to the significant reduction in turnover in the second half of the year, while the new business plan envisages a net profit of approximately Euro 3.3 million for 2019.

EBITDA amounted to approximately Euro 2.4 million, a decrease of 62% compared to approximately Euro 6.2 million in the first three months of 2018 as a result of the above.

EBIT was approximately Euro 1.4 million, down 71% compared to approximately Euro 4.8 million in the first three months of 2018.

Net income was approximately Euro 1 million compared to approximately Euro 3.1 million in the first three months of 2018, in line with the Group's new business plan.

### *4.2 Significant events and transactions in Q1 2019 and their impact on the Group's financial and economic position*

In March, Mondo TV S.p.A. reached settlement agreements with three of the four Asian customers who had sent termination at the end of 2018 in relation to certain existing sales contracts.

Specifically, an agreement was entered into with the customer Broadvision Rights Ltd. on 14 March 2019 outlining the following: 1) Broadvision Rights Ltd. complains about delays in deliveries by Mondo TV S.p.A. and disputes the quality of the productions carried out, while Mondo TV S.p.A. fully rejects the objections of Broadvision Rights Ltd.; 2) the definitive cancellation of the third series provided for in the contract and not yet started is established, while as regards the two existing productions, the following is established:

- Mondo TV S.p.A. is entitled to retain the amount already received for the animated series Play time Buddies and will regain full ownership of the distribution rights, while further payments by Broadvision Rights Ltd. will cease for the series in question.

- the animated series *Sissi third season* was halved, passing to 26 episodes, in a format that is in any case very commercial with an investment by Broadvision Rights Ltd. that fell to USD 2,400 thousand (originally USD 4,800 thousand);
- the minimum guaranteed amount of USD 500 thousand that Mondo TV S.p.A. should have paid to Broadvision Rights Ltd. was cancelled.

With regard to relations with Hong Kong Yiqi Culture, the companies have reached a settlement agreement whereby Mondo TV S.p.A. will retain the amount already collected, equal to approximately USD 11,900 thousand for the old library and USD 3,900 thousand for the part relating to the new productions, for a total of USD 15,800 thousand, waiving any further claims, however immediately returning to possession of the rights to exploit both the old library and the new series (*Duckport*, *Partidei* and *Beastkeepers*).
Accordingly, the parties mutually waive their right to take legal action with respect to the contracts governed by the settlement agreement, and the contracts relating to the animated series *Bat Pat* and *Meteo Heroes* shall continue as normal.

With regard to relations with Hong Kong Nine Technology, the companies have reached a settlement agreement that provides for the replacement of the two animated series *Rowly Powly* and *Dee and Doo* with two new animated series currently being negotiated by Mondo TV with third-party co-producers and approved by Hong Kong Nine Technology.

Finally, with regard to relations with New Information Tech, following contract termination, Mondo TV S.p.A. sent a communication to the customer in which it contested the validity of the termination, complaining about delays in payments and reiterating that the contract, which does not provide for a performance guarantee by Mondo TV S.p.A., must be considered to be still in place and therefore invites New Information Tech to fulfil its obligations. Otherwise, Mondo TV will take the necessary action to recover the credit.
In a subsequent reply, New Information Tech. reiterated the validity of the termination, contesting the delays in the production of the two projects that made the commercial exploitation of the two series impossible, reiterating that in the event of a dispute, they would request the restitution of the sums already paid and the relative damages. At present, Mondo TV S.p.A.'s lawyers have been appointed to agree on the action to be taken.

On 15 March 2019, the first 26 episodes of the animated series Yoohoo and Friends were available globally on the Netflix platform.

### *4.3 Events after period-end and outlook for the year*

An audit is currently underway by the Revenue Agency aimed at the offsetting made in 2014 with the use of the tax credit arising from the transformation of deferred tax assets; from what has been informally anticipated, the Agency's orientation is to disallow the tax credit used by Mondo Tv S.p.A. in the years 2012 to 2018 for a maximum amount of

approximately Euro 13 million, plus the application of penalties and interest. Mondo Tv is confident that it will be able to assert its rights in this further case, as it has done for different reasons in the various tax disputes initiated in recent years, starting from 2014, and which have so far always confirmed the correctness of the company's actions, both at first instance and on appeal.

Over the last few months, the company has begun talks aimed at finding an industrial and commercial partnership in Germany and more generally in northern European countries, which are an important strategic target for the Mondo Tv Group.

The performance of the business in these early months of 2019 is in line with the Group's business plan approved on 10 December 2018.

On behalf of the Board of Directors
Chief Executive Officer

*(Matteo Corradi)*

**STATEMENT BY THE COMPANY'S HEAD OF FINANCIAL REPORTING PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2, OF LEGISLATIVE DECREE 58/1998**

The company's head of financial reporting, Carlo Marchetti, declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Finance Act, that the information contained in this document "Interim Report on Operations Q1 2018" corresponds to the document results, accounting books and records.

Head of Financial Reporting
Carlo Marchetti

# 3. ANNEXES

## 3.1 PARENT COMPANY CONDENSED FINANCIAL STATEMENTS

| Mondo TV S.p.A. statement of financial position | | |
|---|---|---|
| *(Euro thousands)* | **31/03/2019** | **31/12/2018** |
| **Non-current fixed assets** | **49,073** | **44,865** |
| Current assets | 22,260 | 21,379 |
| Current liabilities | (19,878) | (19,669) |
| **Net working capital** | **2,382** | **1,710** |
| **Non-current liabilities** | **(3,552)** | **(3,605)** |
| **Invested capital** | **47,903** | **42,970** |
| Net financial position | 12,767 | 16,497 |
| **Shareholders' equity** | **60,670** | **59,467** |

| Reclassified condensed income statement | | |
|---|---|---|
| *(Euro thousands)* | **Q1 2019** | **Q1 2018** |
| **Revenues** | 2,988 | 6,848 |
| **Capitalisation of internally produced animated series** | 281 | 281 |
| **Operating costs** | (869) | (931) |
| **EBITDA** | **2,400** | **6,198** |
| Amortisation and depreciation, impairment, and provisions | (994) | (1,373) |
| **EBIT** | **1,406** | **4,825** |
| Net finance income (expenses) | (30) | (44) |
| **Profit (loss) of the period before tax** | **1,376** | **4,781** |
| Income tax expense | (397) | (1,654) |
| **Net profit (loss) for the period** | **979** | **3,127** |

## 3.2 CORPORATE BODIES OF THE PARENT

**Board of Directors**[1]

**Chair and CEO**
Matteo Corradi
**Directors**
Monica Corradi
Aurelio Fedele[2]
Angelica Mola[3]
Carlo Marchetti

**Investor Relator**
Piergiacomo Pollonio

**Board of Statutory Auditors**[4]

Marcello Ferrari (Chair)
Adele Barra
Vittorio Romani

**Independent Auditors**[5]

BDO Italia S.p.A.

**Sponsor and Specialist**

Finnat

[1] In office until the approval of the financial statements at 31.12.2020
[2] Independent Director
[3] Independent Director
[4] In office until the approval of the financial statements at 31.12.2019
[5] Assignment for nine financial years, until the approval of the financial statements at 31.12.2023

## 3.3 CORPORATE BODIES OF THE SUBSIDIARIES

| | |
|---|---|
| **Mondo TV Suisse S.A.** | Board of Directors<br>Yvano Dandrea (Chair)<br>Valentina La Macchia<br>Paolo Zecca<br>Matteo Corradi<br>Alexander Manucer |
| **Mondo TV Toys S.A. in liquidation** | Liquidator<br>Yvano Dandrea |
| **Mondo France S.A.** | Directors<br>Matteo Corradi (Chair)<br>Eve Baron<br>Carlo Marchetti<br>Feliciana Gargano<br>Sylvie Mahé |
| **Mondo TV Iberoamerica S.A.** | Matteo Corradi<br>Maria Bonaria Fois<br>Carlo Marchetti<br>Patricia Motilla<br>Jesus Garcia |
| **Mondo TV Producciones Canarias S.L.U.** | Maria Bonaria Fois<br>Matteo Corradi<br>Enrico Martinis |