

SHAREHOLDERS' MEETING APPROVES 2020 FINANCIAL STATEMENTS

Appointment of the Board of Directors:

- **MARINA BERLUSCONI CHAIRMAN**
- **ANTONIO PORRO NEW CHIEF EXECUTIVE OFFICER OF THE MONDADORI GROUP**

Appointment of the Board of Statutory Auditors

Segrate, 27 April 2021 - Today, the Shareholders' Meeting of Arnoldo Mondadori Editore S.p.A., chaired by Marina Berlusconi, approved the financial statements for the year ended 31 December 2020 and reviewed the 2020 consolidated financial statements of the Mondadori Group.

As already disclosed last 18 March, the Group's net profit, net of minority interests, came to € 4.5 million, reflecting an impairment of € 26.5 million, versus a profit of € 28.2 million in 2019 (which included € -2.6 million from the discontinued operations of Mondadori France).

The Shareholders' Meeting, in accordance with the proposal of the Board of Directors, resolved to allocate the net profit for the year of Arnoldo Mondadori Editore S.p.A. at 31 December 2020 (€ 4,502,600.02) entirely to the extraordinary reserve, the legal reserve having already reached the statutory minimum amount, equal to one fifth of the share capital.

APPOINTMENT OF THE BOARD OF DIRECTORS AND OF THE NEW CHIEF EXECUTIVE OFFICER ANTONIO PORRO

The Meeting appointed the new Board of Directors; the 12 members will remain in office for three years until approval of the financial statements for the year ending 31 December 2023.

The Board was elected based on the lists submitted by the shareholder Fininvest S.p.A., holder of no. 139,355,950 shares, equal to 53.299% of the share capital and 69.853% of the voting rights, and by a grouping of shareholders formed of asset management companies and institutional investors holding a total of no. 9,856,881 shares, equal to 3.769% of the share capital.

The members of the new Board of Directors are:

- **Marina Berlusconi** (Chairman), **Antonio Porro**, **Pier Silvio Berlusconi**, **Alessandro Franzosi**, **Elena Biffi**, **Daniilo Pellegrino**, **Francesco Currò**, **Angelo Renoldi**, **Cristina Rossello**, **Paola Elisabetta Galbiati**, **Valentina Casella** (drawn from the majority list submitted by the shareholder Fininvest S.p.A.);
- **Alceo Rapagna** (drawn the minority list submitted by a grouping of shareholders formed of asset management companies and institutional investors).

The majority list received 80.202% of the votes cast at the Meeting.

The composition of the Board of Directors complies with the provisions on gender equality set out in Article 147-ter, paragraph 1-ter of the TUF.

The Board of Directors of Arnoldo Mondadori Editore S.p.A., which met after the Shareholders' Meeting, chaired by Marina Berlusconi, **appointed Antonio Porro as the new Chief Executive Officer**, granting him the relating management powers.

As announced on 10 November, the appointment of Antonio Porro, in addition to being in accordance with the outcome of the succession plan adopted by the Board of Directors, is consistent with the Group's strategies aimed at a gradual focus on the core business of Books.

The Board of Directors then assessed the meeting of the independence requirements, pursuant to Article 148, paragraph three of the TUF and the Corporate Governance Code, for Directors Elena Biffi, Paola Elisabetta Galbiati, Valentina Casella, Alceo Rapagna and Angelo Renoldi.

In making its assessments, the Board referred - taking account, among other things, of the provisions of Article 2, recommendation 7 of the Corporate Governance Code - also to the "Policy concerning the criteria for assessing the independence requirements of directors", already adopted by Mondadori, which governs the criteria for the significance of commercial, financial or professional relationships or additional remuneration that may compromise the independence requirement.

With regard to Director Angelo Renoldi, the Board - given his high professional profile and the fact that he complies with all additional independence requirements set out in the Corporate Governance Code - resolved - in accordance with the established substance-over-form rule in assessments related to said Code - to disapply, on an individual basis, the criterion set out in recommendation 7, letter e) of the Code concerning the position held as director for more than nine financial years over the last twelve.

The Board of Directors also appointed the members of the following committees in compliance with the principles established by the Corporate Governance Code:

- **Control, Risk and Sustainability Committee:** Angelo Renoldi as Chairman (independent); Alceo Rapagna (independent); Cristina Rossello;
- **Remuneration and Appointments Committee:** Angelo Renoldi as Chairman (independent); Elena Biffi (independent); Cristina Rossello;
- **Related Party Committee:** Elena Biffi as Chairperson (independent); Angelo Renoldi (independent); Paola Elisabetta Galbiati (independent).

The Board also appointed, until expiry of its term, therefore, until approval of the financial statements for the year ending 31 December 2023:

- **Valentina Casella** as **Lead Independent Director**;
- **Alessandro Franzosi** as **Financial Reporting Manager**.

The executive Directors are: Marina Berlusconi since the Chairman, while not having any specific management powers, partakes, together with the Chief Executive Officer, in the drafting of corporate strategies to be submitted to the approval of the Board of Directors, Antonio Porro (Chief Executive Officer) and Alessandro Franzosi, who qualifies as an Executive Director given his directorships in the Company associated with his role as Administration, Finance and Control Manager.

The CVs of the members of the new Board of Directors and the additional documentation required by current legislation are available in the Governance section of www.mondadori.it.

Based on the information available to the Company, to date, the Directors who hold interests in the share capital of Arnoldo Mondadori Editore S.p.A. are:

- Pier Silvio Berlusconi no. 172,000 shares;
- Alessandro Franzosi no. 20,000 shares;
- Antonio Porro no. 120,610 shares.

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APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS

The Shareholders' Meeting also appointed the Board of Statutory Auditors, composed as follows:

- **Sara Fornasiero** as **Chairperson** (drawn from the minority list submitted by a grouping of shareholders formed of asset management companies and institutional investors);
- **Ezio Maria Simonelli** and **Flavia Daunia Minutillo** as **Standing Auditors** (drawn from the majority list submitted by the shareholder Fininvest S.p.A.);
- **Emilio Gatto** and **Annalisa Firmani**, as **Substitute Auditors** (drawn from the majority list submitted by the shareholder Fininvest S.p.A.);
- **Mario Civetta**, as **Substitute Auditor** (drawn from the minority list submitted by a grouping of shareholders formed of asset management companies and institutional investors).

The majority list received 80.202% of the votes cast at the Meeting.

The composition of the Board of Statutory Auditors complies with the provisions on gender equality set out in Article 148, paragraph 1-bis of the TUF.

The CVs of the members of the Board of Statutory Auditors and the additional documentation required by current legislation are available in the Governance section of www.mondadori.it.

Based on the information available to the Company, to date, no member of the Board of Statutory Auditors holds any interest in the share capital of Arnoldo Mondadori Editore S.p.A.

The Board, based on the declarations made by the Chairperson of the Board of Statutory Auditors, Sara Fornasiero, as well as the Standing Auditors Ezio Maria Simonelli and Flavia Daunia Minutillo and the information available to the company, confirmed the meeting of the **independence requirements** set out in Article 148, paragraph 3 of the TUF and in the Corporate Governance Code of the members of the Board of Statutory Auditors.

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The Shareholders' Meeting resolved on the following additional items on the agenda:

Report on remuneration policy and compensation paid

The Shareholders' Meeting approved Section One of the Report on remuneration policy and compensation paid. The Shareholders' Meeting also voted in favour of Section Two of the Report.

Renewal of the authorization to purchase and dispose of treasury shares

Following expiry of the term relating to the previous authorization resolved on 22 April 2020, the Shareholders' Meeting renewed the authorization to purchase and dispose of treasury shares with the aim of retaining the applicability of law provisions in the matter of any additional buyback plans and, consequently, of seizing any investment and operational opportunities involving treasury shares.

To date, Arnoldo Mondadori Editore S.p.A. holds a total of no. 1,838,326 treasury shares, equal to 0.703% of the share capital.

Here below is the information provided, also with regard to the provisions of Article 132 of Legislative Decree 58/1998 and to the provisions of Article 144-bis of Issuer Regulation no. 11971/1999, on the authorization issued by the Shareholders' Meeting.

• Motivations

The motivations underlying the request for the authorization to purchase and dispose of treasury shares refer to the opportunity to attribute to the Board of Directors the power:

- to use the treasury shares purchased as consideration in the acquisition of interests as part of the Company's investment policy;

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Arnoldo Mondadori Editore S.p.A. - Registered Office: Via Bianca di Savoia 12 - 20122 Milan
Tax Code and Registration Number 07012130584 - REA number Mi-1192794 - VAT Number 08386600152
Registry of producers of Electrical and Electronic Equipment N: IT09120000006483 - Registry of producers of Batteries and Accumulators N: IT10010P00002054 -
Share capital € 67,979,168.40 paid-up.

- to use the treasury shares purchased against the exercise of option rights, including conversion rights, deriving from financial instruments issued by the Company, its subsidiaries or third parties and to use the treasury shares for lending, exchange or transfer transactions or to support extraordinary transactions on the Company's capital or financing transactions that imply the transfer or sale of treasury shares;
- to undertake any investments, directly or through intermediaries, including for the purpose of containing abnormal movements in share prices, stabilizing share trading and prices, supporting the liquidity of the share on the market, in order to foster the regular conduct of trading beyond normal fluctuations related to market performance, without prejudice in any case to compliance with applicable statutory provisions;
- to rely on investment or divestment opportunities, if considered strategic by the Company, also in relation to available liquidity;
- to dispose of treasury shares as part of share-based incentive plans pursuant to Article 114-bis of the TUF, and of plans for the free allocation of shares to employees or members of the governing or supervisory bodies of the Issuer or of an associate or to Shareholders.

● **Duration**

The authorization to purchase treasury shares is set to last until the approval of the financial statements for the year ending 31 December 2021, while the authorization to sell is granted to last for an unlimited period, given the absence of provisions in this regard pursuant to the provisions in force and the opportunity to allow the Board of Directors to make use of the maximum flexibility, also in terms of time, to carry out the acts of disposal of the shares.

● **Maximum number of purchasable treasury shares**

The authorization allows the purchase, including in more than one tranche, of ordinary shares of Arnoldo Mondadori Editore S.p.A., with a par value of € 0.26 each, in one or more tranches in an amount freely determinable by the Board of Directors - up to a maximum number of shares - also taking into account the ordinary shares held, directly and indirectly, in the portfolio from time to time - of no more than 10% overall of the share capital, in accordance with Article 2357, paragraph 3, of the Italian Civil Code.

● **Criteria for purchasing treasury shares and indication of the minimum and maximum purchasing cap**

The purchases would be made in compliance with the principle of equal treatment of shareholders under Article 132 of the TUF, in accordance with any of the procedures set out in Article 144-bis of the Issuer Regulation, to be identified from time to time, and any other applicable regulations, as well as, where applicable, the market practices allowed from time to time in force.

Additionally, share purchase transactions may also be carried out in the manner envisaged in Article 3 of EU Delegated Regulation no. 2016/1052 in order to benefit, if the conditions are met, from the exemption under Article 5, paragraph 1, of EU Regulation no. 596/2014 on market abuse with regard to inside information and market manipulation.

As far as disposal transactions are concerned, the authorization would allow the adoption of any appropriate method to fulfill the purposes pursued - including the use of treasury shares to service stock incentive plans and/or the transfer of real and/or personal rights and/or stock lending - to be carried out either directly or through intermediaries, in compliance with the relevant laws and regulations in force.

Without prejudice to the fact that purchases of treasury shares would be made in accordance with the time limits, conditions and requirements established by the applicable Community legislation and by the Admitted Market Practices, the minimum and maximum purchase price would be determined for a unit price not lower than the official Stock Exchange price of Arnoldo Mondadori Editore S.p.A. shares on the day preceding the purchase transaction, reduced by 20%, and not higher than the official Stock Exchange price on the day preceding the purchase transaction, increased by 10%. However, in terms of purchase prices, the additional conditions set forth in Article 3 of the above EU Delegated Regulation 2016/1052 would apply.

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With regard to the provisions of Article 2357, paragraph 1, of the Italian Civil Code, purchases would in any case be made within the limits of the available "extraordinary reserve" as shown in the last duly approved financial statements.

In any case, purchases would be made, in terms of definition of volumes and unit prices, in accordance with the conditions governed by Article 3 of EU Delegated Regulation 2016/1052, and in particular:

- no shares shall be purchased at a price higher than the higher between the price of the last independent trade and the price of the highest current independent bid on the trading venue where the purchase is carried out;
- in terms of volumes, no more than 25% of the average daily trading volume of Arnoldo Mondadori Editore S.p.A. shares shall be purchased in the 20 trading days prior to the dates of purchase.

Purchases instrumental in the support to market liquidity shall also be made in accordance with the conditions provided by the admitted market practices.

2021-2023 Performance Share Plan

The Shareholders' Meeting held today approved, pursuant to Article 114-bis of Legislative Decree 58/1998 and in keeping with the introduction of performance share plans approved in the past for the medium/long-term remuneration of executive directors and key management personnel, the establishment of a Performance Share Plan for the three-year period 2021-2023 intended for the newly-appointed Chief Executive Officer, the CFO - Executive Director and a number of managers of the Company who have an employment and/or directorship relationship with the Company or its subsidiaries at the date of allocation of the shares, in accordance with the conditions previously disclosed to the market on 18 March 2021, pursuant to Article 84-bis, paragraph 1 of Issuer Regulation 11971/1999.

For details on the 2021-2023 Performance Share Plan, the beneficiaries and the main characteristics of the Regulations of the Plan, reference should be made to the Information Document drawn up by the governing body, pursuant to CONSOB Regulation no. 11971/1999, and to the Explanatory Report, published on the Company's website www.mondadori.it "Governance/Shareholders' Meeting" section.

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The minutes of today's Shareholders' Meeting will be made publicly available in the manner and within the time limits of law.

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