

SHAREHOLDERS' MEETING APPROVES 2019 FINANCIAL STATEMENTS

- Full allocation of 2019 profit to the extraordinary reserve
- Renewal of the authorization to purchase and dispose of treasury shares
 - Establishment of 2020-2022 Performance Share Plan

Segrate, 22 April 2020 - 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 2019 and reviewed the 2019 consolidated financial statements of the Mondadori Group. The net result amounts to € 28.2 million (IFRS 16), in line with forecasts.

In his report, CEO Ernesto Mauri presented the key figures on the performance of the Mondadori Group in 2019, as disclosed to the market on 17 March.

The Chief Executive Officer also confirmed that the current events related to the Covid-19 emergency do not change the Group's solid medium-long term prospects.

The Shareholders' Meeting, also following the voting intention expressed by the shareholder Fininvest S.p.A. and disclosed on 8 April, resolved not to distribute a dividend, as proposed on 17 March 2020 by the Board of Directors, and to allocate the entire profit of Arnoldo Mondadori Editore S.p.A. at 31 December 2019 to the extraordinary reserve, amounting to € 28.2 million (IFRS 16).

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

Given the approaching expiry of the previous authorization resolved on 17 April 2019, the Meeting renewed the authorization to purchase treasury shares up to a cap of 10% of its share capital. The Shareholders' Meeting also authorized to sell the Treasury Shares acquired by the Company in compliance with Article 2357-ter of the Italian Civil Code.

To date, Arnoldo Mondadori Editore S.p.A. holds a total of no. 2,938,293 treasury shares (1.124% 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;
- 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 2020, 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 refers to the purchase, including in more than one tranche, of a maximum number of ordinary shares with a nominal value of € 0.26, also taking into account the ordinary shares held directly or indirectly in the portfolio from time to time, up to a cap of 10% of the Company's share capital.

- **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.

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.

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

2020-2022 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 2020-2022 intended for the CFO - Executive Director and certain managers of the Company, in accordance with the conditions previously disclosed to the market on 17 March 2020, pursuant to Article 84 bis, paragraph 1, of Issuer Regulation 11971/1999.

For details on the 2020-2022 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.

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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Effective resignation of director and key management personnel

Following the disclosure made on 20 March 2020, the Company notes that as of today's date, following the Shareholders' Meeting, the resignation of Oddone Pozzi from his position as (executive) Director has become effective; the resignation from the position of Group Director and Financial Reporting Manager will be effective, instead, from 3 June 2020. No indemnities or benefits are given following termination of the position of director, without prejudice to the remuneration policy approved by the company. Termination of the position of Key Management Personnel, except as provided for under the 2019 MBO and the 2017-2019 Performance Share Plan, envisages a 24-month non-compete agreement from the effective date of the resignation, with a mandatory indication of the companies understood as competitors and an amount, in the context of non-compete obligations, equal to an annual consideration for the entire period. The non-compete agreement envisages the application of penalties in the event of a breach of the obligation. This agreement qualifies as a related-party transaction of lesser importance pursuant to the Related Party Procedure adopted by the Company, and was reviewed in advance by the Related Party Committee, which, in accordance with the applicable regulations, issued a favorable opinion in consideration of the fairness and substantial expediency of the conditions provided (consistent with the market practices taken as benchmark) and of the Company's interest, given the strategic and top management role held in the Group. To date, Oddone Pozzi holds no shares in the Company.

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