

**MERGER REPORT**of the **Board of Directors** of

**Mondo TV (Suisse) SA** (CHE-295.172.385), Crocicchio Cortogna, 6900 Lugano, Switzerland (as transferring company)

("MTV CH")

concerning

the merger between MTV CH (as transferring company) and **MONDO TV FRANCE** (489 553 743 00019), 52-54 Rue Gérard, 75013 Paris, France (as absorbing company)

("MTV FR")

(MTV CH and MTV FR each a "**Party**" and collectively the "**Parties**")**1. General**

The Parties are part of the Mondo TV group ("**MTV Group**") with locations in Italy, France and Switzerland. MTV Group operates in the productions and distribution of animated tv series and full-lengths feature films for TV and cinema. The Parties are each listed on the non-regulated stock exchange of Euronext Growth Milan, Italy ("**Euronext**").

To streamline the Group's corporate structure and thus to save general and administrative costs and to optimizing the synergies between the Parties, MTV CH (as transferring company) and MTV FR (as absorbing company) have decided to merge ("**Merger**").

Following the Merger, MTV FR plans to establish a Swiss branch in Lugano, Switzerland, and will allocate all assets and liabilities previously owned by MTV CH to said branch.

On 27.06.2023, the Parties signed a merger agreement ("**Merger Agreement**"). This merger report ("**Report**") (i) explains the legal and economic reasons for and the consequences of the Merger and (ii) has been prepared by the board of directors of MTV CH ("**Board**") in accordance with Art. 14 of the Swiss Federal Act on Mergers, Demergers, Transformations and Transfers of Assets and Liabilities ("**Merger Act**").

The respective shareholders meetings of the Parties are expected to take a decision on the envisaged Merger on or around September – October 2023.

**2. Purpose and Effects on the Merger****2.1. Purpose of the Merger**

The purpose of the Merger is the following:

- a) Simplification of the MTV Group structure by streamlining its entities;
- b) Cost savings within the MTV Group;



c) Benefit from administrative synergies between the Parties.

2.2. Consequences of the Merger

As a result of the Merger, MTV CH will be absorbed by MTV FR and deleted from the register of commerce of the Canton of Ticino, Switzerland. Because the Parties' purposes are already fully aligned, MTV FR will not change its purpose or any other material provision of its articles of association post-Merger. The same applies to MTV FR's business name, legal seat or the composition of its board of directors post-Merger. To execute the Merger Agreement, the share capital of MTV FR will be increased as further specified in section 5 (Capital Increase) below.

**3. Merger Agreement**

3.1. General

The Merger Agreement concluded by the Parties is available for inspection by the shareholders of the Parties at their respective registered offices in Lugano (CH) and Paris (FR) during the legally fixed inspection period of 30 days.

The Merger requires the approval of the shareholders' meeting of the Parties, which are scheduled to take place on or around September – October 2023. Based on the approved Merger Agreement and in accordance with applicable law, MTV CH shall transfer all of its assets and liabilities based on the audited balance sheet as per 31.12.2022 to MTV FR by operation of law (universal succession) in the sense of article 3(1) lit. a Merger Act (merger by absorption), and with retroactive effect from 01.01.2023.

MTV FR shall carry these assets and liabilities in its balance sheet at their previous book values as from the balance sheet date.

Before the consummation of the Merger and in order to facilitate (i) the completion of the contribution of the MTV CH's assets and liabilities at their net book value and (ii) the practical terms of the completion of the Merger, a Capital Reduction (as defined in section 5.1 (Capital Reduction) below) shall be executed.

In the following and upon consummation of the Merger, MTV FR will ensure that the shareholders of MTV CH are entitled to shares and shareholder rights in MTV FR corresponding to their previous shares and shareholder rights in MTV CH, taking into account the assets of the Parties, the distribution of voting rights as well as all other relevant circumstances. In particular, each MTV CH shareholder will receive 27.5 MTV FR shares for one MTV CH share as specified in section 4 (Exchange Ratio) below and issued in the course of the Capital Increase (as defined in section 5.2 (Capital Increase) below).

On the business day following the consummation of the Merger, trading on Euronext of the shares of MTV CH shall be discontinued and the trading in MTV FR shares, including the new shares issued as a consequence of Capital Increase as per section 6 below (which issuance shall be agreed with and communicated to Euronext in advance), on Euronext shall continue.

3.2. Exchange of Information / Adjustment of Exchange Ratio

Since the Parties belong to the MTV Group, no due diligence review has been conducted. Conditions Precedent of the Merger

The Merger is subject to the following conditions precedent:

- a) the approval by the shareholders of MTV CH of the Merger Agreement, the contributions to be made as part of the Merger and the consideration resulting from the contributions, the completion of the Merger, the dissolution without liquidation of

MTV CH as a result of the Merger, as well as all the transactions resulting from the Merger relating to MTV FR;

- b) the approval by the shareholders of MTV FR of the Merger Agreement, the contributions to be made as part of the Merger and the consideration resulting from the contributions, the Capital Reduction and Increase of MTV FR (both as defined in section 5 (Share Capital Reduction and Increase) below), the completion of the Merger, as well as all the transactions resulting from the Merger relating to MTV FR.

If the conditions precedent set out above are not met on 31.12.2023 at the latest, the Merger shall become null and void, without any compensation by either Party to the other, unless they agree otherwise.

#### 4. Exchange Ratio and Valuation of Shares

At consummation of the Merger, the shareholders of MTV CH shall receive 27.5 registered shares of MTV FR with a par value of EUR 0.008 for each registered share of MTV CH with a par value of CHF 0.01. The exchange ratio, therefore, is 27.5:1.

In consideration of the contribution resulting from the Merger, MTV FR shall issue 275'000'000 in the course of the Capital Increase (as defined below in section 5.2).

When agreeing to this exchange ratio, the Board could rely on the valuation of the Parties by their respective auditors as set forth in Annex 4 (Valuation Parameters).

The auditors of the Parties, i.e. PKF CERTIFICA SA, Lugano for MTV CH, and Mr. Olivier Grivillers (CROWE HAF, Paris) and Mr. Eric Le Fichoux (Advisorem, Paris) for MTV FR, have determined the value of the Parties MTV CH has been valued at EUR 3'970'408, MTV FR has been valued at EUR 2'847'319.

In the current Merger, no special considerations pursuant to article 14(3) lit. e Merger Act have played a role.

#### 5. Share Capital Reduction Increase

##### 5.1. Share Capital Reduction

MTV CH currently has a fully paid in share capital of CHF 100'000, divided into 10'000'000 registered shares with a nominal value of CHF 0.01 each, all listed at Euronext.

MTV FR currently has a fully paid in share capital of EUR 2'029'729, divided into 195'037'250 registered shares, all listed at Euronext.

In order to facilitate (i) the completion of the contribution of the MTV CH's assets and liabilities at their net book value and (ii) the practical terms of the completion of the Merger, MTV FR will execute a capital reduction from EUR 2'029'729 to EUR 1'560'298 ("**Capital Reduction**"). As a result of the Capital Reduction, the par value of each share of MTV FR will be EUR 0.008.

##### 5.2. Share Capital Increase

Upon the consummation of the Merger, the share capital of MTV FR will be increased from EUR 1'560'298 by EUR 2'200'000 to EUR 3'760'298 through the issue of 275'000'000 fully paid-up shares with no nominal value, excluding the subscription right of the existing shareholders, for the exchange of all 10'000'000 shares of MTV CH ("**Capital Increase**"). After the Capital Increase, the share capital of MTV shall amount to EUR 3'760'298, divided into 470'037'250 fully paid-up shares with no nominal value.



The consideration for the capital increase needed for the Merger will be made in the form of a transfer of all assets and liabilities of MTV CH to MTV FR, whereas the consideration for the capital increase will consist of the issue of new MTV FR shares.

**6. Effects of Merger on Employees**

Upon consummation of the Merger, all employment agreements to which MTV CH is a party are transferred to MTV FR in the sense of article 333 of the Swiss Code of Obligations in combination with article 27 Merger Act. The employees of both Parties will be informed prior to the shareholders' meetings. The employment agreements of the employees of MTV CH will be continued under the existing conditions.

The Merger has no direct legal, economic or social consequences for the concerned employees. No measures concerning such employees are planned as a result of the Merger.

**7. Effect of Merger on Creditors**

MTV CH's liabilities will be transferred to MTV FR at the consummation of the Merger. Contractual agreements between MTV CH and its creditors will not be changed due to the Merger. According to MTV CH' assessment, the Merger will not trigger any contractual termination rights with respect to material agreements nor will any material liabilities become prematurely due.

**8. No Official Authorizations, Communication of the Merger**

The proposed merger does not have to be approved by any authority in Switzerland or France.

Since both MTV FR and MTV CH are listed on Euronext Growth Milan market, in the view of completing the Merger, the Board of directors of MTV FR will draft, pursuant to Euronext Growth Milan issuers' regulations applicable to the Company, an information document to be published on its website by 15 days' period prior to the extraordinary shareholders' meeting called for approving the proposed Merger between MTV CH and MTV FR. On the same date, both MTV CH and MTV FR will issue a press release communicating to the market that the admission document has been published on MTV FR's website.

**9. Costs**

Each Party shall bear all costs and expenses incurred by it in connection with the negotiations of the Merger Agreement and the consummation of the Merger.

Lugano, 21.8.23

**For the Board of Directors**



\_\_\_\_\_  
Yvano Dandrea

Annex 4

Valuation Parameters



	France VWAP	Suisse VWAP	France company value	Suisse company value	New Mondo Tv France shares to be issued	shares gear france shares per 1 suisse share
1 month	0.012813	0.378052	2,498,985	3,780,524	295,057,007	29.50570066
2 months	0.013719	0.390838	2,675,779	3,908,383	284,881,572	28.48815719
3 months	0.015232	0.404061	2,970,713	4,040,606	265,279,277	26.52792771
6 months	0.018631	0.452253	3,633,647	4,522,527	242,748,174	24.27481737
spot 23/6	0.0126	0.36	2,457,469	3,600,000	285,714,286	28.57142857
average	0.014599	0.397041	2,847,319	3,970,408	274,736,063	27.4736063

rounded

275,000,000

27.5

Handwritten signatures in blue and black ink, including a large blue signature and a smaller black signature below it.