PRESS RELEASE

IERVOLINO ENTERTAINMENT:

THE BOARD APPROVES THE CONSOLIDATED RESULTS AS AT 31 MARCH 2021

- **Consolidated operating revenues and income equal to €44.5 million (€23.8 million as at 31 March 2020)**
- **Consolidated EBIT of €5.9 million (€5.6 million as at 31 March 2020, of which €2.5 million normalised to be comparable with Q1 2021)**
- **Consolidated net profit equal to €5.1 million (€5.1 million as at 31 March 2020)**
- **Net financial debt position equal to €19.2 million (€15.6 million as at 31 December 2020)**

- **Extraordinary Shareholders' Meeting convened for 23 June 2021 to change the Company's name and approve amendments to the by-laws to comply with new AIM Italia regulations**

Rome, 3 June 2021 – The Board of Directors of **Iervolino Entertainment** ("IE" or "the Company") – a company engaged in the production of cinematographic and television content for the international market and listed on the AIM Italia stock exchange – examined and approved the consolidated final results for the three-month period as at 31 March 2021.

The Board of Directors also convened the Shareholders' Meeting on 23 June 2021 with the following agenda: change the Company's name and approve amendments to the by-laws to comply with AIM Italia regulations.

The data as at 31 March 2021 show **consolidated revenues and income** equal to €44.5 million, an increase compared to 31 March 2020 (+87.0% compared to €23.8 million in the first quarter of 2020). The Directors underscore that the data for Q1 2021 relate only to recurring revenues from productions, while those for Q1 of the previous year relate for €15.6 million to recurring revenues from productions, and for €8.2 million (including the share attributable to the government grant) to non-recurring income deriving from the sale of rights to revenues from economic exploitation (back-end) of the film *Waiting for the Barbarians* and the episodes of the *Arctic Friends* web series delivered in 2018. The related cost of sales, represented by depreciation and amortisation, amounted to €5.1 million.

The **consolidated EBIT** as at 31 March 2021 is €5.9 million. To allow comparisons with previous results, the EBIT of €5.6 million at 31 March 2020 was normalised to €2.5 million, excluding the net economic effect of the aforementioned sale of back-end rights, as by their nature they manifest profitability over a multi-year period, while all EBIT for Q1 2021 relates only to recurring revenues from productions.

Consolidated net intangible assets consisting of film and audiovisual productions in progress or under amortisation amounted to €78.2 million, up 14.8% compared to €68.1 million as at 31 December 2020.

IERVOLINO ENTERTAINMENT

The increase is mainly due to the development of the ongoing productions of *Arctic Friends*, *Puffins*, *Together Now*, *Dakota* and *State of Consciousness*.

The Group's **Net Profit** as at 31 March 2021 amounted to €5.1 million, practically unchanged.

Shareholders' Equity amounted to €72.1 million, up by €5.1 million compared to €67.0 million as at 31 December 2020.

The **consolidated net financial position** as at 31 March 2021 was due for €19.2 million – up by €3.6 million compared to that of €15.6 million as at 31 December 2020 – for payments for new productions, and above all for some deferrals of receivables directly or indirectly related to delays in the process of finalising and obtaining government grants. These delays are expected to be eliminated in the coming months, with a consequent positive effect on net debt.

The consolidated financial statements as at 31 March 2021 are not audited aside from a periodic examination of the regular keeping of the company's accounts.

This press release is available on the company's website (www.iervolinoentertainment.it) in the Investor Relations section under Press Releases.

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Iervolino Entertainment S.p.A.
Iervolino Entertainment is a global production company founded in Rome in 2011 by Andrea Iervolino, who holds the majority of the company along with the entrepreneur Lady Monika Bacardi. It is engaged in the production of cinematographic and television content including films, TV shows, web series and much more.
The company actively produces content for the international market, based on the business model used by the Hollywood majors. The founder, in partnership with Lady Monika Bacardi, has many years of experience in the industry, having already produced, financed and distributed more than 60 titles with great names in international cinema, as well as managing a library of over 400 of Hollywood's most exclusive titles through the AMBI Media Group. www.iervolinoentertainment.it

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