

BoD APPROVES RESULTS AT 30 JUNE 2021

- Revenue € 320.4 million: +10.9% versus € 288.9 million in first half 2020
- Adjusted EBITDA € 21.5 million: up sharply versus € 11 million in first half 2020
 - Net profit € 4.4 million: recovering strongly versus € -25 million in first half 2020
- NFP before IFRS 16 at € -68.3 million: improving by 47.5% versus € -130.1 million in first half 2020

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OUTLOOK: 2021 TARGETS CONFIRMED

- Low single-digit revenue growth
- Adjusted EBITDA with margin around 12% of revenue
 - Strong growth of net profit
- Cash flow from ordinary operations forecast between € 50 million and € 55 million
 - NFP before IFRS 16 forecast positive at year end

Segrate, 29 July 2021 - Today, the meeting of the Board of Directors of Arnoldo Mondadori Editore S.p.A., chaired by Marina Berlusconi, reviewed and approved the Half-Year Report at 30 June 2021, presented by the CEO of the Mondadori Group, Antonio Porro.

"In the first half of the year, the Mondadori Group achieved remarkable results on the revenue and profitability front. **All our areas**, from Books to Retail to Media, **played their part** in this performance and grew versus the prior year, the digital component in particular. The **Books area improved significantly** and increased its margins versus 2019," stressed **Antonio Porro, CEO of the Mondadori Group**. "The **greater operating efficiency and improved financial performance** we achieved in the second quarter too - continued the CEO - together with highly reassuring signs from the books market, give us reasons to **confirm our year-end estimates** and to **look forward with confidence to the evolution of the Group** in future years. Against this backdrop, the acquisition of De Agostini Scuola is further proof of our will to **focus on the core business of books**, in line with the medium-term strategic guidelines set", concluded Porro.

HIGHLIGHTS OF FIRST HALF 2021

With regard to the core markets of the Mondadori Group, in first half 2021 **books** witnessed a **buoyant trend, growing by 36.8%**¹ versus the same period of 2020.

This performance consolidates the positive trend that had started in the first quarter of the current year, driven again by a **greater propensity to read and purchase**.

The **growth of the books market** is even more extraordinary if compared to **the first six months of 2019**², still totally unaffected by the pandemic and **increasing by 23%** versus this period.

¹ GfK, June 2021 (figures in terms of market value)

² The comparison with 2020 is affected by the closure enforced on all bookstores from March: from 12 March until the end of April, the government measures applied to contain the pandemic led in fact to the closure of bookstores across the Country; in the early

PERFORMANCE AT 30 JUNE 2021

At 30 June 2021, **consolidated revenue** of the Mondadori Group amounted to **€ 320.4 million, up by 10.9%** versus € 288.9 million of the prior year, thanks in particular to the **strong growth in the Books and Retail areas**, driven by the buoyancy of the market.

Adjusted EBITDA in first half 2021 amounted to **€ 21.5 million, up by approximately € 10.6 million** versus € 11 million in the first six months of 2020: this positive performance reflects, on the one hand, the **good trend of revenue** recorded in the period by **all business areas** and, on the other, the **ongoing efforts to curb operating and structural costs** that enabled the Group to achieve a **significant improvement in its margins (from 3.8% to 6.7%)**.

Group **EBITDA** came to **€ 19 million, more than double** the € 8.4 million recorded in the prior year, showing a **clear improvement** attributable to the abovementioned phenomena and trends. In the period under review, non-recurring expense amounted to € 2.5 million, in line with the figure for the same period of the prior year.

In first half 2021, **EBIT** came to operating breakeven (**€ 0.2 million**), an **improvement of over € 17 million** versus € -17.2 million in the same period of 2020, attributable to the trend of the above ordinary components, to lower amortization and depreciation for a total of € 1.3 million, and to the presence in the result at 30 June 2020 of write-downs of € 5.8 million, relating to certain publications in the Media area.

The **consolidated result before tax** amounted to € -5.1 million versus € -30.9 million in first half 2020.

The **significant improvement** is also explained by:

- the **reduction of approximately € 2 million in financial expense**, due to a **lower average interest rate**, in addition to the reduction in ancillary expense;
- the effects of the **sale of the investment in Reworld Media**, completed in February 2021, which resulted in the recognition of a capital loss of € 0.4 million³ in first quarter 2021, with a **positive change of € 6.2 million** versus a capital loss of € 6.6 million recorded at 30 June 2020;
- the result for the period of associates (consolidated at equity), which closed at € -3.1 million.

Tax items for the period came to a positive € 9.4 million (€ 5.9 million at 30 June 2020), despite the increase in taxable income, due to net non-recurring income of € 9 million deriving from the start of the process of realigning the tax amounts of trademarks and goodwill to their respective statutory amounts.

The **Group's net profit**, after minority interests, came to **€ 4.4 million**, a **significant recovery** versus the loss of € -25 million in first half 2020 (and also versus the loss of € 1.9 million at 30 June 2019), following the operational improvement and the abovementioned positive tax components.

The **net financial position before IFRS 16** at 30 June 2021 stood at **€ -68.3 million, down drastically by 47.5%** versus € -130.1 million at 30 June 2020, as a result of the **significant generation of cash flow from ordinary operations recorded in the last 12 months, amounting to € 68.5 million**, which confirms the positive path taken to **strengthen the Group's financial structure**.

The **IFRS 16 net financial position** amounted to € -155.1 million and includes the recognition of the financial payable from the application of IFRS 16 equal to approximately € 87 million.

Group employees at 30 June 2021 amounted to **1,829 units, down by 5.2%** versus 30 June 2020, despite the workforce absorbed following the acquisition of Hej! (net of which the reduction in the workforce would be -5.8%), due primarily to the efficiency measures that continued across all the business areas.

stages, the online channel too had to apply restrictions on book deliveries due to the need to prioritize the distribution of staple goods.

³ The monetization of this investment generated a total gain (2019-2021) of € 1.1 million versus the original subscription value.

BUSINESS OUTLOOK

The **positive performance recorded in the first half of the year**, driven in particular by the strong growth trend of the Books area, as well as the **continued cash flow generation**, allow the Group to be optimistic about its operating performance and to confirm at a consolidated level - and on the basis of the current scope of consolidation - the **previously disclosed estimates**.

Performance targets:

- **consolidated revenue** for 2021 is forecast to **grow slightly (low single-digit)**;
- **adjusted EBITDA** - in percentage terms - is estimated at around **12% of revenue**;
- the **net result** for 2021 is confirmed on a **sharp rise**, propelled by the improvement in operations as well as the tax realignment of intangible assets, which in the first half enabled the recognition of an initial non-recurring positive tax component; additionally, mention should be made that the result for 2020 was negatively impacted by the write-down of certain balance sheet items.

Cash Flow and Net Financial Position

Additionally, with regard to the Group's financial debt, one can reasonably confirm the estimates of **cash flow from ordinary operations** ranging **between € 50 and € 55 million**, therefore the achievement - before the impacts from the adoption of IFRS 16 - of a **positive consolidated net financial position at year end**.

As previously anticipated, the financial strength achieved by the Group has paved the way for a possible return to a **shareholder remuneration policy** from 2022, applied to the net result of 2021.

The above forecasts, drawn up on the basis of the current scope, may be updated upon completion of the acquisition of De Agostini Scuola, subject to the authorizations of law from the Antitrust authority.

PERFORMANCE OF THE BUSINESS AREAS IN FIRST HALF 2021

● **BOOKS**

As previously indicated, in the first half of the year the **Trade books market** posted a **sharp growth of 36.8%**⁴ versus the same period of 2020, **strengthening the trend that had started in the second half of the prior year**, driven also by limited access to other forms of entertainment.

Against this backdrop, the Books area saw an **increase in sell-out in terms of market value of 30.7%**, enabling the Mondadori Group to confirm its **undisputed leadership in the Trade segment** (market share of **23.7%**).

As proof of the **quality of the publishing plan**, mention should be made that during the first six months of the year, the Group placed **4 titles in the top ten bestsellers in terms of value**⁵: *Il sistema. Potere, politica, affari: storia segreta della magistratura italiana* by Alessandro Sallusti and Luca Palamara (Rizzoli), which was the chartbuster in the opening months of the year, ranking firmly at the top; *La disciplina di Penelope* by Gianrico Carofiglio (Mondadori); *Io sono Giorgia* by Giorgia Meloni (Rizzoli); *Insieme in cucina. Divertirsi in cucina con le ricette di «Fatto in casa da Benedetta»* by Benedetta Rossi (Mondadori Electa). Additionally, Donatella Di Pietrantonio's *Borgo Sud*, published by Einaudi in 2020, came second in the *Strega* in 2021.

Revenue in the Books area in first half 2021 amounted to **€ 168.9 million, up by 15.8%** versus € 145.9 million in first half 2020.

The **Trade segment** gave a strong push to the result, with revenue of € 109.5 million, **a significant increase versus both first half 2020 (+21.7%) and first half 2019 (+2.5%)**, unaffected by the pandemic.

⁴ GFK, June 2021 (figures in terms of market value)

⁵ GFK, June 2021 (ranking in terms of cover value)

During the period, revenue from the sale of e-books and audiobooks amounted to approximately **7.3% of total Trade revenue**, with a catalogue of over 28,300 digital titles.

In first half 2021, revenue in the Educational segment amounted to € 55.8 million, **up by 5.7%** versus the same period of 2020: the positive sales performance of **Rizzoli International Publications** (+39.3%) and the **increased turnover from school products (up by 3.9%** versus 30 June 2020) allowed a recovery from the effects of the contraction of Electa's revenue, caused by the closure during the pandemic of exhibitions and archaeological sites.

Adjusted EBITDA in the Books area came to € **19.8 million** versus € 10.9 million in first half 2020, an **improvement of € 8.9 million** thanks to the positive trend in revenue, as well as to the relief received by Electa in the museum segment (approximately € 3 million, net already of certain provisions). Profitability was up also versus first half 2019 (€ 16.2 million), making the performance of the Books area even more remarkable.

• **RETAIL**

Overall, in the first six months of the year the Retail area was able to **benefit from the strong growth trend in the books market**, although **overall performance** was **negatively impacted** by the government measures that caused severe restrictions on sales activities at least until mid-May. As a result of the easing of restrictions, the physical market witnessed a recovery, and consequently Mondadori Retail saw **its revenue grow**: specifically, **June** also saw an **increase versus June 2019 (approximately +3%)**, with a **positive performance of the Book product of over 11%**, despite a reduction in the network of stores versus June 2019.

At 30 June 2021, the Retail area recorded revenue of € **69.8 million, up by € 10.8 million (+18.3%)** versus € 59 million in the same period of the prior year, driven by the positive performance of **Book product** sales (approximately **+22%** versus the same period of 2020). Revenue in **second quarter 2021** alone **increased by approximately +30%** versus second quarter 2020.

A breakdown of the various business segments of Mondadori Retail shows the following:

- **directly-managed stores** experienced a **more modest growth (+12%)** versus the prior year, affected by their location mainly in large populated areas, which are particularly exposed to both competition from online sales and the reduction in tourist flows;
- on the other hand, the **franchised channel**, composed mainly of proximity stores located in small towns, grew strongly by approximately **42%**, boosted again by the excellent performance of the book product;
- the **online channel** posted revenue of € 7.3 million versus € 10.4 million in first half 2020, down due to the easing of restrictions on the operation of the physical market.

Adjusted EBITDA of Mondadori Retail amounted to € **0.4 million**, a **strong improvement** versus € -2.8 million in the same period of 2020.

This improvement is the result of the company's strong efficiency measures, the ongoing renewal and development of its network of physical stores, as well as careful cost management and a thorough review of the organization and processes.

• **MEDIA**

In the first five months of 2021, the core markets of the Media area showed, versus the same period of the prior year:

- a significant increase in **advertising investments in the digital segment**, amounting to **+27.2%**,

- versus **-2.9%**⁶ on the **magazine front**;
- an 8.1% drop⁷ in the **magazine circulation** market;
 - a 22.1% decline⁸ of **add-ons** bundled with magazines.

Against this backdrop, the Mondadori Group's **circulation market share** stood at **23.7%**, **up slightly** versus May of the prior year,¹³ due to a slightly better performance than the core market.

In the first six months of 2021, the Media area of the Mondadori Group, which confirmed its position as **Italy's leading multimedia publisher**, generated **revenue** of € **97.4 million**, **up by 1.7%** versus € 95.8 million in the same period of the prior year. Specifically:

- **advertising revenue** reached € 28.8 million, **up** by approximately **28%** overall (+16% excluding the contribution of the acquisition of Hej!).
Considering the second quarter alone, the increase is **over 50%** versus the same period of 2020 (+41% on a like-for-like basis):
 - **digital activities grew by 25.7% on a like-for-like basis** while, including the contribution of the newly-acquired Hej!, the increase stands at approximately **48%** versus the first half of the prior year. A point worth mentioning is that **digital revenue** now accounts for **63% of total advertising revenue** (from 54% in first half 2020).
 - **print advertising sales increased** by approximately **5%**.
- **circulation revenue** was down by **6.4%**, with television titles and the *CasaFacile* brand performing better.
- **revenue from add-on products** fell by approximately **27%**, but with a more moderate decline in the second quarter (-16.6%), a trend due primarily to the success of musical initiatives last year and the reduced availability of film releases on DVD.
- **other revenue**, which includes revenue from distribution activities, rose by **11.1%**.

Adjusted EBITDA in the Media area amounted to € **4.5 million**, **up sharply** versus the first six months of 2020 (€ 2 million), thanks in particular to the **development of digital activities** and the **continued efforts to curb operating costs**, which contributed to the increase in profitability of print activities: **the overall EBITDA margin stood at 5%, improving** versus 2% in first half 2020.

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2021-2023 PERFORMANCE SHARE PLAN: ASSIGNMENT OF RIGHTS

The Board of Directors, having heard the Remuneration Committee, resolved on the assignments to the beneficiaries of the rights relating to the 2021-2023 Performance Share Plan, established by resolution of the Shareholders' Meeting of 27 April 2021.

Information regarding the beneficiaries and the number of rights assigned are shown - by name, for the beneficiaries who are members of the Board of Directors, and in aggregate form for the other beneficiaries - in the table attached, prepared in compliance with Box 1, Schedule no. 7 of Annex 3A of the Issuer Regulation.

The terms and conditions of the Plan are set out in the Directors' Explanatory Report to the Shareholders' Meeting of 27 April 2021 and in the Information Document prepared pursuant to Article 84-bis, paragraph 1 of the Issuer Regulation, available on the website www.mondadori.it *Governance* section and on the storage mechanism www.1info.it to the contents of which reference should be made.

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⁶ Nielsen, May 2021

⁷ Internal source: Press di, May 2021, in terms of value

⁸ Internal source: Press di, May 2021, in terms of value

SIGNIFICANT EVENTS AFTER FIRST HALF 2021

On 12 July 2021, the Mondadori Group signed an agreement with De Agostini Editore S.p.A. - following the negotiations disclosed on 1 July - for the acquisition of 100% of De Agostini Scuola S.p.A., one of Italy's top school textbook publishers.

The transaction is consistent with the strategy - repeatedly announced by Mondadori - of focusing on the core business of books, in which the Group boasts a longstanding leadership in Trade and is one of the top school textbook players.

The value of the transaction has been defined on the basis of an Enterprise Value of € 157.5 million, equal to 7.4 times the reported EBITDA recorded by De Agostini Scuola in 2020. The price will be defined on the basis of the average normalized net financial position over the 12 months before the closing date.

De Agostini Scuola posted in 2020 revenue of € 70.8 million, reported EBITDA of € 21.4 million, with a margin of 30%, and net profit of € 12.2 million. At 31 December 2020, the net financial position (net cash) stood at a positive € 20.8 million.

Completion of the transaction is subject to the authorizations of law from the competent Antitrust authority.

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The results at 30 June 2021, approved today by the Board of Directors, will be presented to the financial community by the Mondadori Group CEO Antonio Porro and CFO Alessandro Franzosi at a conference call scheduled today, 29 July 2021, at 3pm.

The relevant documentation will be concurrently available on the website www.mondadori.it (Investors section) and on 1Info(www.1info.it).

Journalists will be able to follow the presentation, in listening mode only, by connecting to the dedicated number +39.028020927, and via the web in audio mode by registering at the link <https://hditalia.choruscall.com/?calltype=2&info=company>.

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The Financial Reporting Manager - Alessandro Franzosi - hereby declares, pursuant to Article 154 bis, paragraph 2, of the Consolidated Finance Law, that the accounting information contained herein corresponds to the Company's records, books and accounting entries.

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Annexes:

1. Consolidated balance sheet;
2. Consolidated income statement;
3. Consolidated income statement - II quarter;
4. Group cash flow;
5. Glossary of terms and alternative performance measures used.
6. Information pursuant to Schedule 7 of Annex 3a to CONSOB Regulation no. 11971/1999

Annex 1
Consolidated balance sheet

€ millions	June 2021	June 2020	% chg.
TRADE RECEIVABLES	163.5	181.4	(9.9%)
INVENTORY	132.4	143.5	(7.8%)
TRADE PAYABLES	199.2	231.1	(13.8%)
OTHER ASSETS (LIABILITIES)	0.3	9.0	(96.8%)
NET WORKING CAPITAL	96.9	102.8	(5.8%)
INTANGIBLE ASSETS	192.5	211.6	(9.0%)
PROPERTY, PLANT AND EQUIPMENT	16.5	17.9	(7.6%)
INVESTMENTS	16.6	23.7	(29.8%)
NET FIXED ASSETS WITH NO RIGHTS OF USE IFRS 16	225.7	253.2	(10.9%)
ASSETS FROM RIGHTS OF USE IFRS 16	83.9	86.7	(3.3%)
NET FIXED ASSETS WITH RIGHTS OF USE IFRS 16	309.5	339.9	(8.9%)
PROVISIONS FOR RISKS	43.5	46.1	(5.7%)
POST-EMPLOYMENT BENEFITS	29.8	32.1	(7.2%)
PROVISIONS	73.3	78.2	(6.3%)
NET INVESTED CAPITAL	333.1	364.5	(8.6%)
SHARE CAPITAL	68.0	68.0	0.0%
RESERVES	105.7	102.0	3.6%
PROFIT (LOSS) FOR THE PERIOD	4.4	(25.0)	n.s.
GROUP EQUITY	178.0	144.9	22.8%
NON-CONTROLLING INTERESTS' EQUITY	0.0	0.1	n.s.
EQUITY	178.0	145.0	22.8%
NET FINANCIAL POSITION NO IFRS 16	68.3	130.1	(47.5%)
NET FINANCIAL POSITION IFRS 16	86.8	89.4	(2.9%)
NET FINANCIAL POSITION	155.1	219.5	(29.3%)
SOURCES	333.1	364.5	(8.6%)

Annex 2
Consolidated income statement

€ millions	June 2021		June 2020		% chg.
REVENUE	320.4		288.9		10.9%
INDUSTRIAL PRODUCT COST	94.6	29.5%	84.8	29.4%	11.5%
VARIABLE PRODUCT COSTS	50.7	15.8%	42.9	14.9%	18.1%
OTHER VARIABLE COSTS	66.2	20.6%	60.7	21.0%	8.9%
STRUCTURAL COSTS	24.6	7.7%	24.2	8.4%	1.7%
EXTENDED LABOUR COST	67.8	21.2%	65.5	22.7%	3.4%
OTHER EXPENSE (INCOME)	(4.9)	(1.5%)	(0.2)	(0.1%)	n.s.
ADJUSTED EBITDA	21.5	6.7%	11.0	3.8%	96.3%
RESTRUCTURING COSTS	1.7	0.5%	1.6	0.6%	2.6%
EXTRAORDINARY EXPENSE (INCOME)	0.8	0.3%	0.9	0.3%	(11.3%)
EBITDA	19.0	5.9%	8.4	2.9%	126.1%
AMORTIZATION AND DEPRECIATION	11.9	3.7%	12.4	4.3%	(4.0%)
IMPAIRMENT AND WRITE-DOWNS	0.3	0.1%	5.8	2.0%	(94.8%)
AMORTIZATION AND DEPRECIATION IFRS 16	6.6	2.1%	7.4	2.5%	(9.9%)
EBIT	0.2	0.1%	(17.2)	(6.0%)	n.s.
FINANCIAL EXPENSE (INCOME)	0.6	0.2%	2.4	0.8%	(73.7%)
FINANCIAL EXPENSE IFRS 16	1.1	0.3%	1.3	0.5%	(17.9%)
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION	0.4	0.1%	6.6	2.3%	(93.2%)
EXPENSE (INCOME) FROM INVESTMENTS	3.1	1.0%	3.4	1.2%	(8.7%)
EBT	(5.1)	(1.6%)	(30.9)	(10.7%)	n.s.
TAX EXPENSE (INCOME)	(9.4)	(2.9%)	(5.9)	(2.0%)	n.s.
RESULT FROM CONTINUING OPERATIONS	4.4	1.4%	(25.0)	(8.7%)	n.s.
MINORITIES	0.0	0.0%	(0.0)	(0.0%)	n.s.
GROUP NET RESULT	4.4	1.4%	(25.0)	(8.7%)	n.s.

- The item *Extended Labour Cost* includes costs for collaborations and temporary employment.

Annex 3
Consolidated income statement - II quarter

€ millions	Q2 2021		Q2 2020		% chg.
REVENUE	175.6		153.6		14.3%
INDUSTRIAL PRODUCT COST	51.3	29.2%	40.3	26.2%	27.4%
VARIABLE PRODUCT COSTS	26.0	14.8%	23.7	15.4%	9.6%
OTHER VARIABLE COSTS	37.5	21.4%	33.8	22.0%	11.1%
STRUCTURAL COSTS	12.1	6.9%	12.2	8.0%	(0.8%)
EXTENDED LABOUR COST	32.7	18.6%	29.6	19.3%	10.2%
OTHER EXPENSE (INCOME)	(4.5)	(2.5%)	(0.1)	(0.1%)	n.s.
ADJUSTED EBITDA	20.4	11.6%	14.0	9.1%	45.6%
RESTRUCTURING COSTS	0.7	0.4%	1.1	0.7%	(30.9%)
EXTRAORDINARY EXPENSE (INCOME)	0.9	0.5%	0.3	0.2%	184.8%
EBITDA	18.8	10.7%	12.7	8.2%	48.6%
AMORTIZATION AND DEPRECIATION	6.0	3.4%	6.3	4.1%	(5.9%)
IMPAIRMENT AND WRITE-DOWNS	0.3	0.2%	5.8	3.8%	(94.8%)
AMORTIZATION AND DEPRECIATION IFRS 16	3.4	1.9%	3.7	2.4%	(8.1%)
EBIT	9.2	5.2%	(3.2)	(2.1%)	n.s.
FINANCIAL EXPENSE (INCOME)	0.0	0.0%	1.4	0.9%	n.s.
FINANCIAL EXPENSE IFRS 16	0.6	0.3%	0.6	0.4%	(10.3%)
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION	0.0	0.0%	(0.3)	(0.2%)	n.s.
EXPENSE (INCOME) FROM INVESTMENTS	1.5	0.9%	2.1	1.4%	(28.1%)
EBT	7.1	4.0%	(7.1)	(4.6%)	n.s.
TAX EXPENSE (INCOME)	(7.5)	(4.3%)	(1.2)	(0.8%)	n.s.
NET RESULT FOR THE PERIOD (GROUP AND NON-CONTROLLING INTERESTS)	14.5	8.3%	(5.9)	(3.8%)	n.s.
MINORITIES	0.0	0.0%	0.0	0.0%	n.s.
GROUP NET RESULT	14.5	8.3%	(5.9)	(3.8%)	n.s.

- The item *Extended Labour Cost* includes costs for collaborations and temporary employment.

Annex 4
Group cash flow

	LTM	
€ millions	LTM Jun 21	2020
INITIAL NFP IFRS 16	(219.5)	(151.3)
FINANCIAL LIABILITIES APPLICATION OF IFRS 16	(89.4)	(95.9)
INITIAL NFP NO IFRS 16	(130.1)	(55.4)
ADJUSTED EBITDA (NO IFRS 16)	93.7	82.4
NWC AND PROVISIONS	10.1	1.2
CAPEX NO IFRS 16	(22.4)	(21.8)
CASH FLOW FROM OPERATIONS	81.4	61.9
FINANCIAL INCOME (EXPENSE) NO IFRS 16	(2.4)	(3.7)
TAX	(10.5)	(6.9)
CASH FLOW FROM ORDINARY OPERATIONS CONTINUING OPERATIONS	68.5	51.2
CF FROM ORDINARY OPERATIONS DISCONTINUED OR DISCONTINUING OPERATIONS	0.0	0.0
CASH FLOW FROM ORDINARY OPERATIONS	68.5	51.2
RESTRUCTURING COSTS	(5.3)	(5.2)
EXTRAORDINARY TAX	3.7	0.1
SHARE CAPITAL INCREASE/DIVIDENDS NON CONTROLLING INTERESTS AND ASSOCIATES	(0.2)	(1.1)
PURCHASE/DISPOSAL	(6.9)	(0.5)
OTHER INCOME AND EXPENDITURE	2.1	(3.8)
CASH FLOW FROM EXTRAORDINARY OPERATIONS	(6.5)	(10.5)
TOTAL CASH FLOW	61.9	40.7
NET FINANCIAL POSITION NO IFRS 16	(68.3)	(14.8)
IFRS 16 EFFECTS IN THE PERIOD	2.4	13.0
FINAL NET FINANCIAL POSITION	(155.1)	(97.6)

Annex 5

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES USED

This document, in addition to the statements and conventional financial measures required by IFRS, presents a number of reclassified statements and alternative performance measures, in order to provide a better understanding of the operating and financial performance of the Group. These statements and measures should not be considered as a replacement of those required by IFRS. With regard to these figures, in accordance with the recommendations contained in CONSOB Communication no. 6064293 of 28 July 2006, and in CONSOB Communication no. 0092543 of 3 December 2015, as well as with the 2015/1415 ESMA guidelines on alternative performance measures (“Non-GAAP Measures”), explanations are given on the criteria adopted in their preparation and the relevant notes to the items appearing in the mandatory statements.

Specifically, the alternative measures used include:

Gross Operating Profit (EBITDA): net result for the period before income tax, other financial income and expense, amortization, depreciation and write-downs of fixed assets. The Group also provides information on the percentage of EBITDA on net sales. EBITDA measured by the Group allows operating results to be compared with those of other companies, net of any effects from financial and tax items, and of depreciation and amortization, which may vary from company to company for reasons unrelated to general operating performance.

Adjusted gross operating profit (adjusted EBITDA): gross operating profit as explained above, net of income and expense of a non-ordinary nature such as:

- (i) income and expense from restructuring, reorganization and business combinations;
- (ii) clearly identified income and expense not directly related to the ordinary course of business;
- (iii) as well as any income and expense from non-ordinary events and transactions as set out in CONSOB Communication DEM6064293 of 28/07/2006.

<i>(Euro/millions)</i>	31/03/2021	31/03/2020
EBITDA ADJUSTED	1,1	(3,1)
RESTRUCTURING COSTS	0,9	0,6
EXTRAORDINARY EXPENSE (INCOME)	(0,1)	0,6
EBITDA	0,2	(4,2)

Operating result (EBIT): net result for the period before income tax, and other financial income and expense.

Result before tax (EBT): EBT or consolidated income before tax is the net result for the period before income tax.

Result from continuing operations: net result of the Group, excluding the contribution of Mondadori France and the financial expense charged to the subsidiary in 2019.

Result from discontinued operations: net result in 2019 of Mondadori France, together with the recognition of the fair value adjustment of the disposal group.

This item also includes the financial expense held by the Parent Company, but attributable to Mondadori France and charged to the latter under the intercompany loan agreement.

Net invested capital: the algebraic sum of Fixed Capital, which includes non-current assets and non-current liabilities (net of non-current financial liabilities included in the Net Financial Position) and Net Working Capital, which includes current assets (net of cash and cash equivalents and current financial assets included in the Net Financial Position), and current liabilities (net of current financial liabilities included in the Net Financial Position).

Cash flow from operations: adjusted EBITDA, as explained above, plus or minus the decrease/(increase) in working capital in the period, minus capital expenditure (CAPEX/Investment).

Cash flow from ordinary operations: cash flow from operations as explained above, net of financial expense, tax paid in the period, and income/expense from investments in associates.

LTM cash flow from ordinary operations: cash flow from ordinary operations in the last 12 months.

Cash flow from non-ordinary operations: cash flow generated/used in transactions that are not considered ordinary, such as company restructuring and reorganization, share capital transactions and acquisitions/disposals.

Annex 6

**Information pursuant to Schedule 7 of Annex 3a to CONSOB Regulation no. 11971/1999
REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS**

Name or category	Position (to be shown only for persons appearing by name)	BOX 1 (financial instruments other than stock options)						
		Section 2 Newly-granted instruments based on the decision of the body responsible for implementing the shareholders' resolution						
		Date of shareholders' resolution	Type of financial instruments	Number of financial instruments granted by the BoD	Date of assignment	Purchase price of instruments, if applicable	Market price at assignment (*)	Vesting period
Antonio Porro	Chief Executive Officer of Arnoldo Mondadori Editore S.p.A.	27.4.2021	Rights for the free allocation of Arnoldo Mondadori Editore S.p.A. shares	131,234	RC 20.7.2021 BoD 29.7.2021	N.S.	1.958	From 29.7.2021 until approval of the financial statements at 31.12.2023
Alessandro Franzosi	CFO and Executive Director of Arnoldo Mondadori Editore S.p.A.	27.4.2021	Rights for the free allocation of Arnoldo Mondadori Editore S.p.A. shares	98,425	RC 20.7.2021 BoD 29.7.2021	N.S.	1.958	From 29.7.2021 until approval of the financial statements at 31.12.2023
N 12. Executives		27.4.2021	Rights for the free allocation of Arnoldo Mondadori Editore S.p.A. shares	449,475	RC 20.7.2021 BoD 29.7.2021	N.S.	1.958	From 29.7.2021 until approval of the financial statements at 31.12.2023

(*) Market price 28/7/2021