

BoD APPROVES RESULTS AT 31 MARCH 2022

In first quarter 2022, the Mondadori Group continued its efforts, on a like-for-like basis¹, to increase profitability; owing to the seasonal nature of the school publishing business, the positive contribution of D Scuola will be felt more in the second half of the year.

- **Net revenue € 153.1 million: up by 5.7% versus 31.03.2021; net of the consolidation of D Scuola, the increase is +2.9%**
- **Adjusted EBITDA € -1.1 million; net of the consolidation of D Scuola, the item closes at € +2.4 million, improving by € 1.3 million versus 31.03.2021**
- **Group net result € -11.4 million; on a like-for-like basis, the result is € -7.1 million, recovering strongly versus 31.03.2021**
- **Continued solid cash flow generation, net of the acquisition of D Scuola:**
 - **LTM cash flow from ordinary operations up slightly at € 68.9 million;**
 - **LTM free cash flow improves to reach € 57.5 million**
- **NFP before IFRS 16 at € -135.8 million; excluding the effects of the acquisition of D Scuola, the NFP before IFRS 16 closes at € +9.6 million, improving sharply versus € -47.9 million at 31.03.2021**

OUTLOOK: GUIDANCE FOR 2022 CONFIRMED

- **Mid-single-digit growth of revenue**
- **Adjusted EBITDA up by more than 20%**
- **Double-digit growth of net result**
- **Cash flow from ordinary operations in line with 2021**
- **Free cash flow in the region of € 40/45 million (before payout of the dividend) including the transactions already announced**
- **NFP IFRS 16 less than 1.1x adjusted EBITDA.**

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START OF SHARE BUYBACK PROGRAM TO SERVICE THE SHARE PERFORMANCE PLANS

Segrate, 12 May 2022 - Today, the meeting of the Board of Directors of Arnoldo Mondadori Editore S.p.A., chaired by Marina Berlusconi, reviewed and approved the Interim Management Statement at 31 March 2022 presented by CEO Antonio Porro.

1° QUARTER 2022 HIGHLIGHTS

In first quarter 2022, the Group - excluding the contribution from the newly-consolidated D Scuola - continued its efforts to **increase profitability**, spurred by the **positive trend in revenue across all business areas and careful management of operations** implemented in the prior quarters, which led to **greater structural efficiency**. The Mondadori Group concurrently **confirmed its ability to guarantee steady and solid cash flow generation**.

"The performance we recorded in the first quarter, and the process of continued strengthening implemented so far, allow us to confirm for 2022 the estimates previously announced, despite the uncertain economic and geopolitical context", emphasized **Antonio Porro, CEO of the Mondadori Group**. "The solidity of our business model and our continued ability to generate cash flow put us in a position to continue to focus on

¹ Net of the consolidation of D Scuola, effective as from 1 January 2022.

and grow in our core business of books: a target that we have successfully pursued to date also through a series of major acquisitions", concluded Porro.

PERFORMANCE AT 31 MARCH 2022

In the first quarter of the current year, the contribution of D Scuola, fully consolidated as from 1 January 2022, is irrelevant owing to the **seasonal nature of the Education business** which, in the first half of the year, records only the costs of creating editorial content as well as the expense from the promotional activities to support the adoption campaign, postponing the recognition of revenue from the sale of school textbooks to the second half of the year.

In first quarter 2022, **consolidated revenue** amounted to € **153.1 million, increasing by 5.7%** versus € 144.8 million in the prior year; net of the consolidation of D Scuola, Group revenue would have recorded a **like-for-like growth of 2.9%, thanks to the contribution of all business areas, of the Retail area in particular.**

Adjusted EBITDA for the period under review amounted to € **-1.1 million**. Excluding the result for the period of D Scuola, **adjusted EBITDA came to a positive € 2.4 million**, as the company, which operates in the **school textbooks** segment, recognizes a loss in the first part of the year due to the **seasonal nature of the business: on a like-for-like basis**, the Group recorded an **improvement in profitability of € 1.3 million** versus first quarter 2021, driven by the **positive performance of the Books and Retail segments.**

Group **EBITDA** came to € **-0.7 million**, or on a like-for-like basis to € **+2.8 million**: a comparison with the results of the prior year (€ 0.2 million) shows a **clear improvement**, thanks to the abovementioned business performance, and to the positive contribution from non-recurring items.

EBIT at 31 March 2022 stood at € **-12.2 million** (€ -6.6 million on a like-for-like basis). The comparison with 2021 shows:

- an **improvement of € 2.4 million on a like-for-like basis**, due to the mentioned trends;
- a deterioration of € 3.3 million in the overall scope, due to the consolidation of amortization and depreciation and the effects of the Purchase Price Allocation process from the acquisition of D Scuola.

The **consolidated loss before tax** amounted to € **-14.4 million**; on a like-for-like basis, the figure amounted to € **-8.8 million, improving by € 3 million** versus € -12.1 million in the first three months of 2021.

Financial expense rose by € 0.3 million, due to the higher average gross debt recorded in the quarter following the acquisition of D Scuola.

The **Group's net result**, after minority interests, amounted to € **-11.4 million**; on a like-for-like basis, the figure closes at € **-7.1 million**, a **clear improvement** versus € **-10.2 million** in the first three months of 2021. Mention should be made that in the first quarter of the year, the Group usually recognizes a net loss at a consolidated level, due to the **seasonal nature of the Education business.**

At 31 March 2022, the **net financial position** before IFRS 16 stood at € **-135.8 million** (€ -217.4 million including the IFRS 16 impact).

Excluding the effects of the acquisition of D Scuola, the **net financial position before IFRS 16 stood at a positive € 9.6 million, improving significantly by over € 57.5 million** versus the debt at 31 March 2021 (€ 47.9 million), attributable to the **significant cash flow generation** recorded in the last twelve months: including the impact of IFRS 16, the NFP stood at a negative € 69.9 million, due to the recognition of an additional financial payable of € 79.5 million.

The **LTM cash flow from ordinary operations** (after outlays for financial expense and tax), excluding D Scuola, amounted to € **68.9 million**, allowing the **Group to continue to strengthen its financial structure.**

D Scuola, consolidated as from January 2022, reported a negative cash flow of € 13.3 million in the first quarter, in line with the **seasonal nature of the school business** which, in the first half of the year, records only the costs and expenditure for the development and publication of texts marketed in the second half.

The **LTM Free Cash Flow** at 31 March 2022 amounted to € **57.5** million, **improving further** versus the figure at 31 December 2021. Including the impact of the acquisition of D Scuola for approximately € 135 million, the Free Cash Flow of the overall scope recorded outlays of approximately € 88 million.

At 31 March 2022, **Group employees** amounted to **1,883 units, up by 2.4%** versus 1,838 units at 31 March 2021 (+45 units), due primarily to the inclusion of **D Scuola** staff (totaling **127 units**). On a **like-for-like basis**, therefore excluding both the contribution of the newly-consolidated company and the effects of the sale of the titles in the Media area in December 2021, the drop would come to **approximately 2.3%**, the result of the **continued efforts to increase the efficiency** of the individual business areas.

BUSINESS OUTLOOK

In light of the results achieved in the first few months and in the absence of any future material deterioration in the geopolitical context, for the full year 2022, the Group believes it can **confirm the estimates previously disclosed**, despite the critical issues arising from the increase in costs for the procurement of raw materials, primarily paper, and for energy consumption.

That said, the Group expects for:

- **Earnings: continued resilience of the business model**
 - **mid-single-digit growth of revenue;**
 - **Adjusted EBITDA up by more than 20%;**
 - **double-digit growth of the net result**, thanks also to significantly lower non-recurring expense than the figure recorded in 2021, despite the fact that net profit in 2021 had benefited from a significant tax component² of approximately € 19 million.
- **Cash Flow and Net Financial Position: continued strong cash generation:**
 - **Cash Flow from ordinary operations: in line with 2021, as a result of the positive contribution from D Scuola, offsetting the "one-off" increase in Group capital expenditure, arising:**
 - in the school segment, from the project to integrate D Scuola and from a stronger and richer product range and publishing catalogue in the school segment;
 - in the Retail area, from the plan on the relocation and renovation of the flagship store in Piazza Duomo in Milan, which will see conclusion in the final part of the year;
 - **Free Cash Flow in the region of € 40/45 million (before payout of the dividend), which includes the expected cash outflows from extraordinary transactions announced;**
 - **Group net financial debt (IFRS 16) less than 1.1x Adjusted EBITDA (0.6x before IFRS 16).**

The financial solidity reached allows the Group to **continue its path of development**, especially in the **books** business, also through **M&As**: therefore, the Group will continue to pursue its unwavering commitment, also in the current year, to further **growth opportunities through acquisitions**.

PERFORMANCE OF BUSINESS AREAS

● BOOKS

In first quarter 2022, after the remarkable growth seen in 2021, the **books market** witnessed a **consolidation** phase marked by a **slight decline in sales** (-1.6% in terms of value and -0.6% in terms of volume)³ versus the same period last year.

Even if we exclude from the measurements those segments currently untapped by the Mondadori Group, i.e. professional and, most importantly, comics, which are continuing to see strong growth close to 50% this year, the market continued to remain moderately weak, dropping (in terms of value) by 2.3% versus 2021.

² Derived from the tax realignment of intangible assets.

³ GFK, March 2022

Group revenue in the **Trade segment**, which fell slightly, was affected, on the one hand, by this **trend of the relevant market** and, on the other, by the scheduling of the publishing plan, which envisages the **release of the major titles in the second half of the year**, closing at € **52.3 million**, down by approximately 6% versus € 55.9 million in first quarter 2021, which had benefited from the extraordinary success of "*Il sistema. Potere, politica, affari: storia segreta della magistratura italiana*" by A. Sallusti and L. Palamara (Rizzoli).

Nonetheless, the Group confirmed its **undisputed leadership** with a **market share** of **23%** in the **Trade segment** (including the share of De Agostini Libri, consolidated as from 1 April 2022).

With regard to the **school textbooks** segment, mention should be made that this is a **highly seasonal business**, so **revenue generated in the first three months typically accounts for less than 5% of the annual figure**. In first quarter 2022, the activities recorded total **revenue** of € **9 million**: on a like-for-like basis net of D Scuola, revenue was **basically steady** versus the prior year (€ 4.9 million in first quarter 2021).

Overall, revenue in the Books area as a whole in the first three months of 2022 amounted to € **76.2 million**, **up by 6.5%** versus € 71.6 million in the first three months of 2021, due mainly to the consolidation of D Scuola. On a like-for-like basis excluding the contribution of the recently-acquired company, **growth** stood at **0.7%**, thanks in particular to the **strong increase** achieved by the publishing house, **Rizzoli International Publications**, and the **upswing in Electa's museum activities**.

Adjusted EBITDA amounted to € -2.1 million, including the negative contribution of D Scuola, owing to the seasonal nature of the school textbooks business: net of these effects, adjusted EBITDA would stand at € **1.5 million** versus € 0.6 million in first quarter 2021, **improving by € 0.8 million**, pushed by the positive performance of the publishing house **Rizzoli International Publications** and the **upswing in Electa's museum business**.

- **RETAIL**

As indicated earlier, in the first three months of the year, the books market recorded a slight drop versus first quarter 2021 (-1.6%⁴): this trend had no adverse effect on the performance of the **physical channel** which, due also to the pandemic-related restrictions that had restrained its activities in 2021, reported a growth versus the same period of the prior year.

Against this backdrop, the **market share** of Mondadori Retail reached **10.8%**, driven by the **remarkable performance of physical stores**, which benefited from a positive comparison with the prior year.

In the first quarter, the Retail area posted **revenue** of € **37.2 million**, up by € 3.8 million (**approximately +11.5%**) versus € 33.4 million in the same period of the prior year.

The ongoing development and renovation of existing stores and the focus on the core business of books have enabled the Mondadori Store network to further consolidate its role in the market, as shown by the **strong improvement in Books revenue** (€ +3.5 million), which is higher at the end of the first quarter even than in the pre-COVID period.

Specifically:

- **directly-managed stores** reported a **sharp increase in revenue (+49.9%** versus the prior year), due to the abovementioned strategy of focusing on the book product and network development activities;
- the **franchised channel** too, composed mainly of proximity stores located in small towns, **continued its progression**, increasing by +3.2% versus the same period of the prior year;
- the **online** channel declined, reflecting the market trend.

⁴ GFK (in terms of value)

The Retail area recorded a **positive and sharply growing adjusted EBITDA of € +0.3 million (€ +0.7 million** versus the first three months of 2021). This target was achieved thanks to the **strong growth in revenue**, the deep transformation of the business unit as a whole, the **ongoing renewal and development of the network of physical stores**, as well as careful cost management and a thorough review of the organization and processes.

- **MEDIA**

In first quarter 2022, the Media area recorded revenue of € 47.1 million, basically **steady** versus € 46.8 million in the same quarter of the prior year, but **up by 9.2% on a like-for-like basis of portfolio of brands** (excluding the effect of the deconsolidation of the titles sold at end 2021).

Specifically:

- **digital activities**, which now account for 20% of the area's total revenue, **increased significantly by over 31%** versus first quarter 2021 (+36.8% on a like-for-like basis of brands), driven by the strong performance of AdKaora. **Digital advertising revenue** as a percentage of total advertising revenue now represents **77%** (up from 66% in first quarter 2021);
- **traditional print activities**, excluding the magazines sold at end 2021, **improved by 3.4%**, thanks to the positive circulation performance of television titles, which bucked the market trend.

Adjusted EBITDA in the Media area stood at € 2 million, **steady** versus the first three months of 2021 as a result of:

- in the **print** area, the **continuing measures to contain operating costs**, which offset the increase in industrial costs;
- in the **digital** area, **growth in activities in the MarTech segment**, despite the higher editorial and development costs incurred for the launch of the new social magazine "The Wom".

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START OF SHARE BUYBACK PROGRAM TO SERVICE THE 2022-2024, 2021-2023 AND 2020-2022 SHARE PERFORMANCE PLANS

The Board of Directors of Arnoldo Mondadori Editore S.p.A. approved the start of a share buyback program, under Article 5 of Regulation (EU) no. 596/2014, to be executed in accordance with the terms and conditions, already disclosed to the public, resolved by the Ordinary Shareholders' Meeting of 28 April 2022 which, among other things, authorized:

- the purchase and disposal of treasury shares for a maximum amount of up to 0.265% of the share capital, which is intended to provide the Company with the no. 693,878 shares required over the three-year period to meet the obligations under the 2022-2024 Performance Share Plan established by the same Shareholders' Meeting, pursuant to Article 114-bis of the TUF;
- the continuation of the buyback program to service the 2020-2022 Performance Share Plan and the 2021-2023 Performance Share Plan in the manners and within the limits set out in the relevant Regulations.

Pursuant to Delegated Regulation (EU) 2016/1052, details of the buyback program are shown below:

- **Purpose of the plan**

The sole purpose of the program is the buyback of Arnoldo Mondadori Editore S.p.A. treasury shares to service the 2022-2023 Performance Share Plan, the 2021-2023 Performance Share Plan and the 2020-2022 Performance Share Plan.

- **Maximum amount in cash allocated to the program**

Buybacks will be made at a minimum unit price not lower than the official Stock Exchange price on the day before the purchase transaction, reduced by 20%, and at a maximum unit price not higher than the official Stock Exchange price on the day before the purchase transaction, increased by 10%. The volumes and unit purchase prices will, however, be defined in accordance with the conditions governed by Article 3 of EU Delegated Regulation 2016/1052. Specifically, no shares may 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, daily purchase amounts will not exceed 25% of the daily average volume of Mondadori shares traded over the 20 trading days before the dates of purchase.

- **Maximum number of shares to purchase**

Purchases will regard a maximum of no. 410,000 ordinary shares (equal to 0.156%) of the share capital, taking account of the treasury shares already held in the Company's portfolio, to service the 2022-2024 Performance Share Plan, the 2021-2023 Performance Share Plan and the 2020-2022 Performance Share Plan, in the manners and within the limits set out in the relevant Regulations.

The maximum total amount of shares under the program is therefore within the limits of 10% of the share capital indicated by the Shareholders' Meeting of 28 April 2022, taking account also of the no. 1,049,838 treasury shares, equal to 0.402% of the share capital, already held by the Company.

- **Duration of the program**

The buyback program runs from 12 May 2022 and will end by the Shareholders' Meeting to approve the financial statements for the year ending 31 December 2022, which coincides with the expiration of the authorization to purchase treasury shares approved by the Shareholders' Meeting on 28 April 2022.

The buyback program may be renewed upon further authorization by the shareholders.

- **Buyback procedures**

The buyback program will be coordinated and executed by an authorized intermediary, who will make the purchases independently, with no influence from Arnoldo Mondadori Editore S.p.A. as regards the timing of the purchases.

Buybacks will be made pursuant to the combined provisions of Article 132 of Legislative Decree no. 58/1998 and of Article 5 of Regulation (EU) 596/2014, Article 144-bis of the Issuer Regulation, and the EU and national legislation on market abuse (including Delegated Regulation (EU) 2016/1052), in accordance with the resolutions of the above Shareholders' Meeting of 28 April 2022.

Any subsequent changes to the buyback program will be promptly disclosed by the Company.

The transactions made will be disclosed to the market in the manners and within the time limits of applicable law.

For information on the above Performance Share Plans, reference should be made to the information documents prepared pursuant to Article 114-bis of Legislative Decree no. 58/1998 and to Article 84-bis of CONSOB Regulation no. 1197/1999 and available on the website www.gruppomondadori.it (*Governance* section) and at the authorized storage mechanism 1Info (www.1Info.it).

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2022-2024 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 2022-2024 Performance Share Plan, established by resolution of the Shareholders' Meeting of 28 April 2022.

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 28 April 2022 and in the Information Document prepared pursuant to Article 84-bis, paragraph 1 of the Issuer Regulation, available on the website www.gruppomondadori.it *Governance* section and on the storage mechanism www.1info.it to the contents of which reference should be made.

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PUBLICATION OF THE MINUTES OF THE SHAREHOLDERS' MEETING

Arnoldo Mondadori Editore S.p.A. informs that the minutes of the Ordinary Shareholders' Meeting held on 28 April 2022 are available on the authorized storage mechanism 1Info (www.1info.it), in the *Governance* section of the Company website www.gruppomondadori.it and at the Company's registered office.

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The Interim Management Statement at 31 March 2022 will be made available today on the authorized storage mechanism 1Info (www.1Info.it), in the Investors section of the Company website www.gruppomondadori.it and at the Company's registered office.

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The presentation of the results at 31 March 2022, approved today by the Board of Directors is available, on 1Info (www.1info.it), on www.borsaitaliana.it and on www.gruppomondadori.it (Investors section). A Q&A session will be held in conference call mode at 4.30 pm for the financial community, attended by the CEO of the Mondadori Group, Antonio Porro, and the CFO, Alessandro Franzosi. Journalists will be able to follow the meeting in listening mode only, by connecting to the following phone number +39.02.8020927 or via web at: <https://hditalia.choruscall.com/?calltype=2>.

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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.

Annexes:

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

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Annex 1

Consolidated balance sheet

€ millions	1Q 2022	1Q 2022 LFL	1Q 2021	Var. %	Var. % LFL
TRADE RECEIVABLES	116.8	115.6	132.7	(12.0%)	(12.9%)
INVENTORY	131.7	123.6	121.4	8.4%	1.8%
TRADE PAYABLES	190.7	170.0	175.5	8.6%	(3.2%)
OTHER ASSETS (LIABILITIES)	(10.4)	(5.7)	(17.6)	n.s.	(67.6%)
NET WORKING CAPITAL CONTINUING OPERATIONS	47.4	63.5	61.0	(22.3%)	4.2%
DISCONTINUED OR DISCONTINUING ASSETS (LIABILITIES)	(2.0)	(2.0)	(5.0)	(60.7%)	(60.7%)
NET WORKING CAPITAL	45.4	61.6	56.0	(18.9%)	9.9%
INTANGIBLE ASSETS	353.0	189.1	194.1	81.9%	(2.6%)
PROPERTY, PLANT AND EQUIPMENT	15.0	15.0	16.2	(7.0%)	(7.4%)
INVESTMENTS	17.0	17.0	18.7	(9.0%)	(9.1%)
NET FIXED ASSETS WITH NO RIGHTS OF USE IFRS 16	385.1	221.1	228.9	68.2%	(3.4%)
ASSETS FROM RIGHTS OF USE IFRS 16	78.0	76.0	81.2	(3.9%)	(6.4%)
NET FIXED ASSETS WITH RIGHTS OF USE IFRS 16	463.1	297.0	310.1	49.3%	(4.2%)
PROVISIONS FOR RISKS	47.2	45.3	40.2	17.6%	12.8%
POST-EMPLOYMENT BENEFITS	32.3	27.5	30.0	7.5%	(8.3%)
PROVISIONS	79.5	72.8	70.2	13.3%	3.8%
NET INVESTED CAPITAL	429.0	285.8	295.9	45.0%	(3.4%)
SHARE CAPITAL	68.0	68.0	68.0	0.0%	0.0%
RESERVES	155.0	155.0	106.2	45.9%	45.9%
PROFIT (LOSS) FOR THE PERIOD	(11.4)	(7.1)	(10.2)	n.s.	n.s.
GROUP EQUITY	211.6	215.9	164.0	29.0%	31.6%
NON-CONTROLLING INTERESTS' EQUITY	0.0	0.0	0.0	n.s.	n.s.
EQUITY	211.6	215.9	164.0	29.0%	31.6%
NET FINANCIAL POSITION NO IFRS 16	135.8	(9.6)	47.9	n.s.	n.s.
NET FINANCIAL POSITION IFRS 16	81.5	79.5	83.9	(2.8%)	(5.3%)
NET FINANCIAL POSITION	217.4	69.9	131.8	64.9%	(47.0%)
SOURCES	429.0	285.8	295.9	45.0%	(3.4%)

Annex 2

Consolidated income statement

€ millions	1Q 2022		1Q 2022 LFL		1Q 2021	Var. %	Var. % lfl
REVENUE	153.1		149.1		144.8	5.7%	2.9%
INDUSTRIAL PRODUCT COST	49.7	32.4%	48.4	32.4%	43.2	29.9%	14.8%
VARIABLE PRODUCT COSTS	21.4	14.0%	21.2	14.2%	24.7	17.0%	(13.2%)
OTHER VARIABLE COSTS	34.2	22.3%	31.2	20.9%	28.6	19.8%	19.5%
STRUCTURAL COSTS	12.6	8.2%	11.9	8.0%	12.5	8.6%	0.6%
EXTENDED LABOUR COST	36.8	24.0%	34.5	23.1%	35.1	24.2%	4.7%
OTHER EXPENSE (INCOME)	(0.5)	(0.3%)	(0.4)	(0.3%)	(0.4)	(0.3%)	n.s.
ADJUSTED EBITDA	(1.1)	(0.7%)	2.4	1.6%	1.1	0.7%	n.s.
RESTRUCTURING COSTS	0.2	0.1%	0.2	0.1%	0.9	0.6%	(80.8%)
EXTRAORDINARY EXPENSE (INCOME)	(0.6)	(0.4%)	(0.6)	(0.4%)	(0.1)	(0.1%)	n.s.
EBITDA	(0.7)	(0.4%)	2.8	1.9%	0.2	0.2%	n.s.
AMORTIZATION AND DEPRECIATION	8.1	5.3%	6.0	4.0%	5.9	4.1%	35.8%
IMPAIRMENT AND WRITE-DOWNS	0.0	0.0%	0.0	0.0%	0.0	0.0%	1.4%
AMORTIZATION AND DEPRECIATION IFRS 16	3.5	2.3%	3.4	2.3%	3.3	2.3%	6.6%
EBIT	(12.2)	(8.0%)	(6.6)	(4.4%)	(9.0)	(6.2%)	n.s.
FINANCIAL EXPENSE (INCOME)	0.8	0.5%	0.8	0.5%	0.6	0.4%	35.8%
FINANCIAL EXPENSE IFRS 16	0.6	0.4%	0.6	0.4%	0.5	0.4%	10.5%
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION	0.0	0.0%	0.0	0.0%	0.4	0.3%	n.s.
EXPENSE (INCOME) FROM INVESTMENTS	0.9	0.6%	0.9	0.6%	1.6	1.1%	n.s.
EBT	(14.4)	(9.4%)	(8.8)	(5.9%)	(12.1)	(8.4%)	n.s.
TAX EXPENSE (INCOME)	(3.1)	(2.0%)	(1.7)	(1.1%)	(1.9)	(1.3%)	n.s.
GROUP NET RESULT	(11.4)	(7.5%)	(7.1)	(4.8%)	(10.2)	(7.0%)	n.s.

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

Annex 3

Group cash flow

€ millions	LTM		
	1Q 2022	1Q 2022 LFL	FY 2021
INITIAL NFP IFRS 16	(131.8)	(131.8)	(97.6)
FINANCIAL LIABILITIES APPLICATION OF IFRS 16	(83.9)	(83.9)	(82.8)
INITIAL NFP NO IFRS 16	(47.9)	(47.9)	(14.8)
ADJUSTED EBITDA (NO IFRS 16)	88.5	92.2	91.0
NWC AND PROVISIONS	14.2	18.1	10.3
CAPEX NO IFRS 16	(26.0)	(24.5)	(22.0)
CASH FLOW FROM OPERATIONS	76.7	85.8	79.3
FINANCIAL INCOME (EXPENSE) NO IFRS 16	(2.6)	(2.6)	(2.4)
TAX	(18.1)	(13.9)	(13.9)
ORDINARY CASH FLOW FROM CONTINUING OPERATIONS	56.0	69.3	62.9
ORDINARY CF FROM DISCONTINUED OR DISCONTINUING OPERATIONS	(0.4)	(0.4)	5.3
CASH FLOW FROM ORDINARY OPERATIONS	55.6	68.9	68.2
RESTRUCTURING COSTS	(8.1)	(8.1)	(6.9)
EXTRAORDINARY TAX	3.6	3.6	3.4
SHARE CAPITAL INCREASE/DIVIDENDS ASSOCIATES	(0.4)	(0.4)	(0.1)
M&A	(135.3)	(3.1)	(8.7)
OTHER INCOME AND EXPENDITURE	(3.4)	(3.4)	(3.8)
EXTRAORDINARY CF FROM DISCONTINUED OR DISCONTINUING OPERATIONS	(0.3)	(0.3)	(0.3)
CASH FLOW FROM EXTRAORDINARY OPERATIONS	(143.6)	(11.5)	(16.2)
FREE CASH FLOW	(87.9)	57.5	52.1
NET FINANCIAL POSITION NO IFRS 16	(135.8)	9.6	37.3
IFRS 16 EFFECTS IN THE PERIOD	2.5	4.5	0.7
FINAL NET FINANCIAL POSITION	(217.2)	(69.7)	(44.7)

Annex 4

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.

With regard to adjusted **EBITDA in first quarter 2021**, the following items were excluded from EBITDA:

- a) restructuring costs for a total of € 0.9 million, included in "Cost of personnel" in the income statement;
- b) income of a non-ordinary nature for a total of € 0.1 million, included in "Sundry expense (income)" and "Cost of services".

With regard to adjusted **EBITDA in first quarter 2022**, the following items were excluded from EBITDA:

- a) restructuring costs for a total of € 0.2 million, included in "Cost of personnel" in the income statement;
- b) income of a non-ordinary nature for a total of € 0.6 million, included in "Sundry expense (income)" and "Cost of services".

€ millions	1Q 22	1Q 21
Gross Operating Profit - EBITDA (as shown in the financial statements)	-718	220
Restructuring costs included in "Cost of personnel"	178	926
Income of a non-ordinary nature included in "Sundry expense (income)" and "Cost of services"	-594	-81
Adjusted Gross Operating Profit - Adjusted EBITDA (as shown in the Directors' Report on Operations)	-1,134	1,065

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

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

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: cash flow in the last 12 months (Last Twelve 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.

Free Cash Flow: the sum of cash flow from ordinary and non-ordinary operations in the reporting period (excluding payment of dividends, if any).

Total Cash Flow: the sum of cash flow from ordinary and non-ordinary operations in the reporting period (including payment of dividends, if any).

Annex 5

**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-assigned 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 assigned 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.	28.4.22	Rights to the free allocation of shares Arnoldo Mondadori Editore S.p.A	99,552	RC 9.5.2022 BoD 12.5.2022	N.S.	1.924€	From 12.5.2022 to approval of financial statement at 31.12.2024
Alessandro Franzosi	Chief Financial Officer and executive director of Arnoldo Mondadori Editore S.p.A.	28.4.22	Rights to the free allocation of shares Arnoldo Mondadori Editore S.p.A	74,644	RC 9.5.2022 BoD 12.5.2022	N.S.	1.924€	From 12.5.2022 to approval of financial statement at 31.12.2024
n.12 Executives		28.4.22	Rights to the free allocation of shares Arnoldo Mondadori Editore S.p.A	404,015	RC 9.5.2022 BoD 12.5.2022	N.S.	1.924€	From 12.5.2022 to approval of financial statement at 31.12.2024

(*) price on 11.5.2022