GRUPPO MONDADORI

PRESS RELEASE

BoD APPROVES RESULTS AT 31 MARCH 2023

- **Net revenue € 160 million: up by 4.5% versus 31.03.2022**
- **Adjusted EBITDA € 4.4 million, up € 5.5 million versus 31.03.2022**
- **Group net result at € -5.2 million, improving by € 6.2 million versus 31.03.2022**
- **Strong cash generation confirmed, with LTM Cash Flow from ordinary operations at € 63 million, up 5.5% compared to FY 2022**
- **IFRS 16 Net Financial Position at € -220.8 million, essentially stable on 31.03.2022**
- **Pre-IFRS 16 Net Financial Position at € -150.7 million versus € -135.8 million of 31.03.2022**

OUTLOOK: GUIDANCE FOR 2023 CONFIRMED

- Single-digit growth of **revenue**
- Single-digit growth of **adjusted EBITDA**
- 10% improvement of **net profit**
- **Cash Flow from ordinary operations** between € 60 million and € 65 million
- **IFRS 16 NFP** at 1.0xAdjusted EBITDA, a reduction on end 2022

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Start of share buyback program to service the share performance plans

Segrate, 10 May 2023 - 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 2023 presented by CEO Antonio Porro.

1ST QUARTER 2023 HIGHLIGHTS

The first quarter of the current year was characterised by a positive trend in the book market which, following a consolidation phase experienced in 2022, recorded renewed growth with an increase in both value (+3%) and volume (+0.8%)[1].

"During this first quarter of 2023, the Mondadori Group recorded a significant improvement in profitability- taking into account the seasonal nature of the schoolbook business - thanks to the positive performance of revenues and an increasingly careful approach to operative management. The excellent start to the year for the book market, the slight fall in the prices of raw materials and services, and the company's performance allow us to confirm our estimates for the year, with revenues and Adjusted EBITDA growing by a single-digit and margins expected to be around 15%," emphasised **Antonio Porro, Chief Executive Officer of the Mondadori Group**.

PERFORMANCE AT 31 MARCH 2023

Consolidated revenue in the first quarter of 2023 amounted to **€ 160 million**, **up** by approximately **4.5%** compared to € 153.1 million in the previous year. Net of changes in scope occurring between the two periods, the organic change in growth amounted to +3.6%.

Adjusted EBITDA came to **€ 4.4 million, showing a significant increase** on the € -1.1 million of the first quarter 2022: both the growth in revenues, in particular of the Trade Books and Retail areas, and the

[1]Source: GFK, March 2023 (Week 13)

consolidation of the results of the companies only recently acquired, contributed to the Group's positive results.

The Group's **EBITDA** came to **€ 4.7 million** compared to € -0.7 million in the first quarter of 2022, an improvement of almost € 5.5 million, traceable to the favourable dynamics of the above management components.

EBIT is negative for € 8.2 million, showing an **improvement of € 4 million** on 2022, thanks to the positive operating performance of the businesses, despite the booking of € 1 million for greater amortisation/depreciation deriving from investments, from the consolidation of newly-acquired companies and the accounting effects of the Purchase Price Allocation process (PPA).

Excluding the extraordinary components and the impacts deriving from the PPA process relative to the companies acquired in the last 2 years (€ 1.2 million), **Adjusted EBIT** came to € -7.2 million, **up € 4.5 million** on the same quarter of the previous year.

The **consolidated result before tax** is negative for € 8.8 million, **an improvement of approximately € 5.6 million** on the € -14.4 million in first quarter 2022, thanks to:

- a reduction in finance expenses (€ 1.2 million as at 31 March 2022) despite a higher average cost of debt, thanks to the reduced expenses deriving from the application of IFRS 16, as a result of the new rental contract for the Segrate head office;
- an improvement in the result of the subsidiaries for € 1.4 million, deriving in particular from the update of the fair value measurement of the equity investment in the company A.L.I..

It is recalled that after the end of the first quarter, the 18.45% equity investment held in the share capital of Società Europea di Edizioni, publisher of *Il Giornale*, was sold.

At 31 March 2023, the **Group's net loss**, after minority interests, came to € 5.2 million, showing **a sharp increase of approximately € 6 million** versus the € -11.4 million recorded in Q1 2022.
Mention should be made that in the first quarter of the year, a net loss is recorded at a consolidated level, due to the seasonal nature of the school textbooks business.

The **IFRS 16 Net Financial Position** came to **€ -220.8 million**, essentially stable on the € -217.4 million recorded at 31 March 2022, including an IFRS 16 component of € -70.1 million.
The **Pre-IFRS 16 Net Financial Position** came to approximately € -150.7 million, slightly up on the € -135.8 million of 31 March 2022 due to the cash-out relative to acquisitions made during the last twelve months and the distribution of dividends.

Cash flow from ordinary operations (after outlays for financial expense and tax) in the last 12 months, amounted to **€ 63 million** and allows the Group to continue to strengthen its financial structure. Note that ordinary cash generation was impacted as follows:

- the improvement in the business income management, partly temporarily offset by the dynamics of working capital;
- the lower tax payments for approximately € 3 million, mainly deriving from realignments and tax redemption applied during previous years.

At 31 March 2023, **cash flow from extraordinary operations** of the previous 12 months came to a negative € 61.5 million, mostly due to cash out for restructuring costs of € 7.2 million and for the net balance of acquisitions and disposals of approximately € 47 million.
Consequently, the **LTM Free Cash Flow as at 31.03.2023** was **positive** by **€ 1.5 million**, demonstrating the Group's ability to finance its inorganic growth policy and to remunerate its shareholders.

Group employees at 31 March 2023 amounted to 1,911 units, up by approximately 1.5% versus 1,883 resources at 31 March 2022 (+28). Neutralising the effects of all the changes in scope applied, namely the acquisitions of De Agostini Libri, Star Comics and A.L.I. and the disposals of newspapers and business in the Media area, the Group's workforce would show an increase of 0.9%.

OUTLOOK FOR THE YEAR

In light of the results achieved during the first quarter and a more favourable scenario in respect of the outlook for raw materials and service prices, with reference to the current scope, the Group believes it can now **confirm the forecasts released previously for FY 2023**.

Income Statement:
- **Single-digit growth in revenues and adjusted EBITDA** with margins expected to be in the region of 15%;
- **approximately 10% growth in the net result**, despite the greater amortisation/depreciation deriving from both the increasing investment policy implemented by the Group and the effects of the Purchase Price Allocation process relative to the recently-acquired companies.

Cash Flow and Net Financial Position:
- **Ordinary Cash Flow** is expected to fall within a range of € 60 to 65 million, showing **growth of up to 10%** on the 2022 figure (which had come to approximately € 60 million net of the one-off impact of derivative instruments related to rate risk hedging).
- the Group's **net financial debt (IFRS 16)** is expected to come in, at end FY 2023, as **1.0xAdjusted EBITDA**, down from 1.3x at end 2022.

The solid financial and equity position that characterises the Group allows it to continue to pursue the virtuous development path started some years ago, characterised by the **progressive use of M&As** whereby the Group seeks to continue to the make the most of inorganic growth opportunities, mainly in the book and digital businesses.

PERFORMANCE OF BUSINESS AREAS

- ***TRADE BOOKS***

The first quarter of the current year was characterised by **a positive trend seen on the book market** that, following a consolidation experienced in 2022, recorded **renewed growth** with an increase in both value (+3%) and volume (+0.8%)[2].

In this context, the publishing houses in the Trade area recorded **double-digit sell-out growth (+12.3%)**, of which 6.7% due to an increase in the volume component, thanks in particular to the performance in January and February by the new titles published at the start of the year.
Thanks to these results, the Mondadori Group has consolidated its **national leadership position**, with a **market share** which rose to **27.4%** in March 2023, compared to 25.2% in March 2022.

This year, as witness to the **quality of the Group's publishing plan**, two titles from the Group's publishing houses **ranked in the top two places of the ten best-selling books by value[3]**: Prince Harry's biography 'Spare. *Il minore*', published by Mondadori, and '*La vita intima'* by Niccolò Ammaniti, published by Einaudi.

Q1 2023 **revenues** came to **€ 88.3 million**, showing **growth of 29.5%** on last year, structured as follows:
- **+25% in the publishing houses**, also due to the companies acquired, which contributed approximately € 8 million in the period; net of discontinuities, the improvement comes to 10% thanks to the concentration, in the quarter's publishing plan, also of particularly successful titles;
- significant recovery of the museum business of **Electa (+27%)** and the positive international sales performance of **Rizzoli International Publications (+12.5%)**;
- **marked growth** in **third-party publishers distribution and services activities**, which benefited from the contribution made by the consolidation of A.L.I. (whose revenues are booked as a fee[4]) and Libromania.

[2] GFK, March 2023 (Week 13)
[3] GFK, March 2023 (ranking in terms of cover value)
[4] In accordance with IFRS15

Adjusted EBITDA of the Trade Books area comes to **€ 13.2 million, up € 3.5 million**, of which approximately one third comes from the positive trend of like-for-like revenues and two thirds from the contribution made by newly-acquired companies.
The **profitability** achieved by the **Trade Books** area is **approximately 15%** in the first quarter of 2023, showing **improvement** on the same period of 2022.

- ***EDUCATION BOOKS***

School textbooks experience a typical seasonal performance that sees sales concentrated in the second half of the year following the adoption campaign: revenues from the first three months of the year typically account for less than 5% of the annual figure.

In this context, in the first quarter of 2023, the Group's Education area recorded total **revenues** of **€ 8.5 million** (€ 9 million in the same period of 2022) with a negative change that does not represent actual performance insofar as the result of different timing, compared to 2022, in the supply and invoicing of certain supplies.

Adjusted EBITDA comes to € -11.7 million, **in line with FY 2022**, due to the specified seasonality, which sees the booking during the first quarter of the operational structure costs and the costs for developing the text books marketed during the adoption campaign, which then draws to a close at the end of May.

- ***RETAIL***

As already mentioned, at the end of March, Italy's book market had grown by 3% compared to 2022, with +10.6% increase in the physical channel and a decline (estimated at -6%) in e-commerce.

In this context, the **revenues** of Mondadori Retail in the first quarter of 2023 amounted to **€ 41.6 million**, an **improvement of around 12%** compared to the same period of the previous year: this was the result, in particular, of **sustained growth in revenues from books** (+€ 3.7 million, up by 12.8% compared to the first quarter of 2022).
Thanks to this overperformance, deriving from the **excellent performance of physical shops**, Mondadori Retail's market share came to **11.7%** (+0.9% compared to 31 March 2022).

An analysis of sales in the physical channel shows a further **increase in revenues from directly-managed bookstores** (+**21.1%** compared to the same period in the previous year) and **franchisee bookstores** (**+9.5%** compared to the first quarter of the previous year);

Adjusted EBITDA in the Retail area **was positive**, amounting to **€ 1.7 million**, and showed **a significant increase** (+€ 1.4 million compared to the first three months of 2022), thanks to **the continuous development and renovation work on existing shops and focus on the core business of books.**

- ***MEDIA***

In Q1 2023, the Media area recorded **revenue** of approximately **€ 32.3 million**, dropping by approximately 31% versus the same period of the prior year, which reduced to approximately 8.5% on a like-for-like basis (excluding the effect of the deconsolidation of the titles sold at the start of 2023 and the distribution activities of Press-di).

In particular, the two area components showed different trends. On a like-for-like basis:
- **digital activities**, which account for **more than a third of the area's total revenue**, showed **growth in advertising revenue** of **8.7%**;
- **traditional print activities** were down by approximately 15%.

Adjusted EBITDA for the Media area came to **€ 2.9 million**, showing **growth of** approximately **42%** compared with the previous year, mainly due to traditional businesses. Specifically:
- in the print area, the increase stems from the booking of a tax credit by way of relief on costs incurred by the publisher for the distribution of magazines (€ 2.8 million), which more than offset the higher input costs for the period and the lower margin from the sales of collateral items;
- in the digital area, adjusted EBITDA is essentially stable on the same quarter of the previous year,

thanks to higher advertising revenue and despite the higher costs incurred for launching new initiatives tied to the influencer marketing segment.

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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 27 April 2023 which, among other things, authorized:

- the purchase and disposal of treasury shares for a maximum amount of up to 0.357% of the share capital, which is intended to provide the Company with the no. 933,548 shares required over the three-year period to meet the obligations under the 2023-2025 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 2021-2023 Performance Share Plan and the 2022-2024 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 2023-2025 Performance Share Plan, the 2022-2024 Performance Share Plan and the 2021-2023 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. 591,000 ordinary shares (equal to 0.22%) of the share capital, taking account of the treasury shares already held in the Company's portfolio, to service the 2023-2025 Performance Share Plan, the 2022-2024 Performance Share Plan and the 2021-2023 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. 1,147,991 treasury shares, equal to 0.440% of the share capital, already held by the Company to date.

- **Duration of the program**

The buyback program may start on 5 June 2023. The conclusion of the program, in any case by the Shareholders' Meeting convened to approve the financial statements at 31 December 2023, the date on which authorisation to purchase treasury shares resolved by the Shareholders' Meeting of 27 April 2023, expires, will be disclosed to the market.

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.mondadorigroup.com (Governance section) and at the authorized storage mechanism 1Info (www.1Info.it).

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2023-2025 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 2023-2025 Performance Share Plan, established by resolution of the Shareholders' Meeting of 27 April 2023.
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 2023 and in the Information Document prepared pursuant to Article 84-bis, paragraph 1 of the Issuer Regulation, available on the website www.mondadorigroup.com 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 27 April 2023 are available on the authorised storage mechanism 1Info (www.1info.it), in the Governance section of the Company website www.mondadorigroup.com and at the Company's registered office.

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The Interim Management Statement at 31 March 2023 is made available by today through the authorised storage mechanism 1Info (www.1Info.it), on www.mondadorigroup.com (Investors section) and at the registered office.

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The presentation of the results at 31 March 2023, approved today by the Board of Directors, is available on 1Info (www.1info.it), on www.borsaitaliana.it and on www.mondadorigroup.com (Investors section). A Q&A session will be held in conference call mode at 4.00 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, by connecting to the following phone number +39.02.8020927 or via web at: 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.

<u>Annexes</u>:

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 Statements of Financial Position

(Euro/millions)	Q1 2023	Q1 2022	% chg.
Trade receivables	128.5	116.8	10.0 %
Inventory	160.7	131.6	22.2 %
Trade payables	224.6	190.7	17.8 %
Other assets (liabilities)	(21.0)	(10.1)	n.s.
Net working capital continuing operations	**43.6**	**47.5**	**(8.4) %**
Discontinued or discontinuing assets (liabilities)	—	(2.3)	(100.0)%
Net Working Capital	**43.6**	**45.2**	**(3.7) %**
Intangible assets	388.8	353.0	10.1%
Property. plant and equipment	30.7	15.0	104.6 %
Investments	16.6	17.0	(2.4) %
Net fixed assets with no rights of use IFRS 16	**436.1**	**385.0**	**13.3%**
Assets from right of use IFRS 16	67.3	78.0	(13.7)%
Net fixed assets with rights of use IFRS 16	**503.3**	**463.0**	**8.7 %**
Provisions for risks	42.9	47.2	(9.2)%
Post-employment benefits	28.7	32.0	(10.4) %
Provisions	**71.6**	**79.2**	**(9.7) %**
Net invested capital	**475.3**	**429.0**	**10.8%**
Share capital	68.0	68.0	— %
Reserves	190.8	155.0	23.1 %
Profit (loss) for the period	(5.2)	(11.4)	(54.4)%
Group equity	**253.6**	**211.6**	**19.8%**
Non-controlling interests' equity	0.9	—	n.s.
Equity	**254.5**	**211.6**	**20.3 %**
Net financial position no IFRS 16	150.7	135.8	10.9 %
Net financial position IFRS 16	70.1	81.5	(14.0) %
Net financial position	**220.8**	**217.4**	**1.6%**
Sources	**475.3**	**429.0**	**10.8%**

Annex 2
Consolidated Income Statement

(Euro/millions)	Q1 2023		Q1 2022		*Chg. %*
Revenue	**160.0**		**153.1**		***4.5%***
Industrial product cost	56.2	35.1%	49.7	32.4%	*13.1%*
Variable product costs	21.0	13.1%	21.4	14.0%	*(1.9%)*
Other variable costs	29.0	18.1%	34.2	22.3%	*(15.1%)*
Structural costs	14.4	9.0%	12.6	8.2%	*14.9%*
Extended labour cost	36.0	22.5%	36.8	24.0%	*(2.1%)*
Other expense (income)	(1.1)	(0.7%)	(0.5)	(0.3%)	*n.s.*
Adjusted EBITDA	**4.4**	**2.8%**	**(1.1)**	**(0.7%)**	***n.s.***
Restructuring costs	0.2	0.1%	0.2	0.1%	*13.7%*
Extraordinary expense (income)	(0.5)	(0.3%)	(0.6)	(0.4%)	*n.s.*
EBITDA	**4.7**	**2.9%**	**(0.7)**	**(0.4%)**	***n.s.***
Amortization and depreciation	9.2	5.8%	8.1	5.3%	*14.2%*
Amortization and depreciation IFRS 16	3.7	2.3%	3.5	2.3%	*6.2%*
EBIT	**(8.2)**	**(5.1%)**	**(12.2)**	**(8.0%)**	***n.s.***
Financial expense (income)	0.8	0.5%	0.8	0.5%	*1.7%*
Financial expense IFRS 16	0.4	0.2%	0.6	0.4%	*(32.8%)*
Financial expense (income) from securities valuation	(0.6)	(0.4%)	0.9	0.6%	*n.s.*
EBT	**(8.8)**	**(5.5%)**	**(14.4)**	**(9.4%)**	***n.s.***
Tax expense (income)	(3.6)	(2.3%)	(3.1)	(2.0%)	*n.s.*
Minorities	—	0.0%	—	0.0%	*n.s.*
Group net result	**(5.2)**	**(3.2%)**	**(11.4)**	**(7.5%)**	***n.s.***

Cost of personnel includes costs for collaborations and temporary employment.

Annex 3
Group cash flow

(Euro/millions)	LTM 2023	FY 2022
Initial NFP IFRS 16	**(217.4)**	**(179.1)**
Financial liabilities application of IFRS 16	(81.5)	(84.3)
Initial NFP No IFRS 16	**(135.8)**	**(94.8)**
Adjusted EBITDA (No IFRS 16)	126.2	120.9
NWC and provisions	(0.7)	6.3
CAPEX no IFRS 16	(40.4)	(41.7)
Cash flow from operations	**85.0**	**85.5**
Financial income (expense) no ifrs 16	(4.1)	(4.1)
Tax	(17.9)	(21.6)
Cash flow from ordinary operations	**63.0**	**59.7**
Restructuring costs	(7.2)	(8.8)
Share capital increase/dividents from associates	(0.6)	(1.0)
M&A	(47.4)	(42.6)
Other income and expenditure	(6.3)	(7.3)
Cash Flow from extraordinary operations	**(61.5)**	**(59.6)**
Free cash flow	**1.5**	**0.2**
Dividends	(22.2)	(22.2)
Tot. cash flow	**(20.6)**	**(11.5)**
Net financial position no IFRS 16	**(150.7)**	**(106.0)**
IFRS Effects in the period	11.4	13.1
Final net financial position	**(220.9)**	**(177.4)**

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:
- income and expense from restructuring, reorganization and business combinations;
- clearly identified income and expense not directly related to the ordinary course of business;

as well as any income and expense from non-ordinary events and transactions as set out in CONSOB Communication DEM6064293 of 28/07/2006.

(Euro/thousands)	2023	2022
Gross Operating Profit - EBITDA (as shown in the financial statements)	**4,684**	**(718)**
Restructuring costs under "Cost of personnel"	202	178
Income of a non-ordinary nature included in "Sundry expense (income)" and "Cost of services"	(481)	(594)
Adjusted Gross Operating Profit - Adjusted EBITDA (as shown in the Directors' Report on Operations)	**4,405**	**(1,134)**

With regard to adjusted EBITDA in first quarter 2022, the following items were excluded from EBITDA:
- Restructuring costs for a total amount of € 0.2 million, included in "Cost of personnel" in the income statement;
- income of a non-ordinary nature for a total of € 0.6 million, included in "Sundry expense (income)" and "Cost of services".

With regard to adjusted EBITDA in first quarter 2023, the following items were excluded from EBITDA:
- Restructuring costs for a total amount of € 0.2 million, included in "Cost of personnel" in the income statement;
- income of a non-ordinary nature for a total of € 0.5 million, included in "Sundry expense (income)" and "Cost of services".

Operating result(EBIT): net result for the period before income tax, and other financial income and expense.
Adjusted operating profit (EBIT Adjusted): this is represented by the operating result, as defined above, excluding non-ordinary income and expense, as defined previously, depreciation and amortization deriving from the company purchase price allocation and the impairment of intangible assets.
Operating profit (EBT): EBT or consolidated income 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.
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).

GRUPPO MONDADORI

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 when granted (*)**	**Vesting period**
Antonio Porro	Chief Executive Officer of Arnoldo Mondadori Editore S.p.A.	27.4.2023	Rights for the free allocation of Arnoldo Mondadori Editore S.p.A. shares	107,181	RC 04.5.2023 BoD 10.5.2023	N.S.	€ 2.02	From 10.5.2023 until approval of the financial statements at 31.12.2025
Alessandro Franzosi	CFO and Executive Director of Arnoldo Mondadori Editore S.p.A.	27.4.2023	Rights for the free allocation of Arnoldo Mondadori Editore S.p.A. shares	80,386	RC 04.5.2023 BoD 10.5.2023	N.S.	€ 2.02	From 10.5.2023 until approval of the financial statements at 31.12.2025
no. 18 Executives		27.4.2023	Rights for the free allocation of Arnoldo Mondadori Editore S.p.A. shares	590,389	RC 04.5.2023 BoD 10.5.2023	N.S.	€ 2.02	From 10.5.2023 until approval of the financial statements at 31.12.2025

(*) Price on 09/05/2023