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<i>Testo del comunicato</i>
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Vedi allegato.



## CAIROCOMMUNICATION

### Press Release - Results at 30 June 2021 approved

- **In first half 2021:**
  - **Strong growth in results versus same period of the prior year: EBITDA of Euro 80.7 million (Euro 11.6 million in 2020), EBIT of Euro 43.9 million (Euro -25.2 million in 2020) and net result of Euro 24.5 million (Euro -12.7 million in 2020)**
  - **Consolidated gross revenue, amounting to Euro 583.3 million, up by Euro 124.7 million versus first half 2020**
  - **Net debt amounts to Euro 30.3 million, down by Euro 32.9 million versus end 2020 and by Euro 73.1 million versus 30 June 2020 after distributing dividends of Euro 11.6 million and absorbing the effects of the consolidation of m-dis, which at 30 June 2021 carries a debt of Euro 15.1 million, due also to the seasonal trend in working capital**
- **In the six months, RCS achieved a net positive result of Euro 38.7 million and continued to generate positive cash flows. Digital revenue accounts for approximately 22% of total. Advertising sales on online media make for 42%. Gross online advertising on RCS media grew by 40% in Italy and by 48% in Spain in first half of year**
- ***Corriere della Sera* leading Italian daily newspaper on newsstands with a total active digital customer base of approximately 336 thousand subscriptions**
- **Digital subscriptions grow strongly in Spain too: 69.5 thousand for *El Mundo* and 31.7 thousand for *Expansión* at end June 2021**
- **La7 confirmed the high audience levels (3.49% in the all-day share and 4.82% in prime time) and was the sixth national channel in prime time. In first half 2021, advertising sales on La7 and La7d channels grew by 17%**
- **In first half 2021, the Cairo Editore magazine publishing segment achieved gross operating profit (EBITDA) of Euro 3.7 million, up versus 2020 (Euro 2.8 million)**

**Milan, 3 August 2021:** at its meeting today, the Board of Directors of Cairo Communication reviewed and approved the Half-Year Report at 30 June 2021.

Income statement and balance sheet figures (€ millions)	30/06/2021	30/06/2020
Consolidated gross revenue	583.3	458.6
EBITDA	80.7	11.6
EBIT	43.9	(25.2)
Profit (loss) attributable to the owners of the parent	24.5	(12.7)
	<b>30/06/2021</b>	<b>31/12/2020</b>
Net financial debt	30.3	63.2

The start of 2021 was still marked by the restrictive measures enforced by the authorities, both in Italy and Spain, to contain the health emergency which, in addition to the severe social impact, has had and is having repercussions on the organization and timing of work, on the Group's activities and on economic performance, resulting in a general context of great uncertainty.

Specifically, in Spain at the beginning of the year, and in Italy starting from the end of February, the number of infections has risen, leading to the adoption of additional containment measures. Since the second half of February in Spain, and since mid-April in Italy, the situation has improved and the containment measures are being gradually lifted.

In both countries, the vaccination campaign has brought a significant improvement in terms of general infections, hospitalizations, ICU occupancy and fatalities. However, starting from the end of June in Spain, and mid-July in Italy, there is growing concern about the spread of new variants and the increase of infections, especially among young people, in Spain in particular.

The Group is monitoring developments on a daily basis to minimize the impacts in terms of health and safety in the workplace and on the operating and financial front, by defining and implementing flexible and timely action plans.

In first half 2021, in a context still dominated by the uncertainty from the health emergency:

- the **Group's** revenue, gross operating profit (EBITDA), operating profit (EBIT) and profit attributable to the owners of the parent grew sharply versus the figures of the same period of 2020, a performance that stems also from the rescheduling in the first half of the year of the sporting events that had been postponed in 2020 to the second half of the year;
- **RCS** achieved a net positive result of Euro 38.7 million<sup>1</sup> and continued to generate positive cash flows. Thanks to its authority, *Corriere della Sera* confirmed its outstanding newsstand circulation results and, most importantly, continued the growth of digital operations: at end June, its total active digital customer base (digital edition, membership and m-site) counted 336 thousand subscriptions. Both Italian newspapers, *Corriere della Sera* and *La Gazzetta dello Sport*, and in Spain *Marca* and *Expansión*, retained their circulation leadership in their respective market segments in first half 2021 (*ADS* for Italy and *OJD* for Spain). The main digital performance indicators confirm the top market position of RCS, with the *Corriere della Sera* and *La Gazzetta dello Sport* brands which, in the period January-May 2021, counted 30.3 million and 17.4 million average monthly unique users and 4.42 million and 2.7 million average daily unique users respectively (*Audiweb 2.0*). In Spain, as part of the online activities, *elmundo.es*, *marca.com* and *expansion.com* reached 54.2 million, 85.7 million and 11.7 million average monthly unique browsers respectively in June (*Google Analytics*). Digital subscriptions grew significantly, reaching 69.5 thousand subscriptions for *El Mundo* and 31.7 thousand subscriptions for *Expansión* at end June 2021. Against this backdrop, RCS total digital revenue (Italy and Spain), which amounted to approximately Euro 93.7 million, accounted for 22.2% of total revenue. Total advertising sales from RCS online media amounted to Euro 68.8 million in first half 2021, making for 42% of total advertising revenue. Online advertising on RCS media in the first half grew by 40% in Italy and by 48% in Spain versus first half 2020;
- the **TV publishing segment La7** confirmed the high audience levels of the La7 channel (3.49% in the all-day share and 4.82% in prime time). In first half 2021, advertising sales on La7 and La7d totaled approximately Euro 79.9 million (Euro 68.3 million in 2020), up by +17% versus the same period of the prior year (when revenue had performed more than 8 percentage points better than the TV advertising market), returning to the figures recorded in first half 2019. The channel's news and discussion programmes all continued to deliver remarkable results: *Otto e Mezzo* with 7.6% average share from Monday to Friday, *TgLa7 edizione delle 20* 5.8% from Monday to Friday, *diMartedì* 5.7%, *Piazzapulita* 5.4%, *Propaganda Live* 5.7%, *Non è l'Arena* 6.1%, *Omnibus La7* 3.8%, *Coffee Break* 4.2%, *L'Aria che tira* 6%, and *Tagadà* 3.4%. In first half 2021, La7 was the sixth national channel in prime time, ahead of Rete 4. In the morning slots (7.00-12.00), La7 achieved a 3.9% share, confirming its position as the fourth most viewed channel;
- the **magazine publishing segment Cairo Editore** achieved higher results than in 2020, confirmed high circulation levels of the publications, and continued to work on improving the levels of efficiency reached in containing own costs.

In first half 2021, consolidated gross revenue amounted to approximately Euro 583.3 million (comprising gross operating revenue of Euro 564 million and other revenue and income of Euro 19.4 million) versus

<sup>1</sup> RCS Half-Year Report at 30 June 2021, approved on 30 July 2021.

Euro 458.6 million in 2020 (comprising gross operating revenue of Euro 449.2 million and other revenue and income of Euro 9.4 million), up by Euro 124.7 million, a trend that stems also from the rescheduling in the first half of the sporting events that had been postponed in 2020 to the second part of the year. Revenue for the period benefited (Euro 21.4 million) from the full consolidation of the amounts of m-dis.

Gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 80.7 million and Euro 43.9 million (Euro 11.6 million and Euro -25.2 million in 2020). Net non-recurring expense and income came to Euro -0.3 million (Euro -5.4 million at 30 June 2020, referred mainly to the allocation of provisions for personnel interventions).

During the first half, cost-cutting measures continued in order to promptly adapt the company's organization to the changed environment resulting from the health emergency. The benefits of these cost containment actions in the first six months of 2021 amounted to approximately Euro 7.7 million, of which Euro 4.9 million in Italy and Euro 2.8 million in Spain.

Profit attributable to the owners of the parent came to approximately Euro 24.5 million (Euro -12.7 million in first half 2020).

Looking at the business segments, in first half 2021:

- in the **magazine publishing segment (Cairo Editore)**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 3.7 million and Euro 2.8 million (Euro 2.8 million and Euro 1.9 million in 2020). Regarding weeklies, with approximately 1.1 million average copies sold in the period January-May 2021 (ADS), Cairo Editore retains its position as the leading publisher in copies of weeklies sold at newsstands, with an approximately 29% market share. Including the average sales of titles out of the ADS survey (comprising copies sold of "Enigmistica Più" and of "Enigmistica Mia"), average copies sold were approximately 1.3 million;
- in the **TV publishing segment (La7)**, the Group achieved gross operating profit (EBITDA) of approximately Euro 4.2 million, improving by Euro 6.5 million versus the same period of 2020 (Euro -2.3 million). Operating profit (EBIT) was approximately Euro -2.6 million (Euro -8.5 million in 2020);
- in the **network operator segment**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 2 million and Euro 0.5 million (Euro +1.3 million and Euro -0.2 million in 2020);
- in the **advertising segment**, gross operating profit (EBITDA) and operating profit (EBIT) amounted to Euro 0.9 million and Euro 0.1 million (Euro 1.2 million and Euro -0.6 million in 2020). The 2021 advertising figures are not immediately comparable to the 2020 figures as they did not include the results of the advertising sales business for RCS. Starting from April, advertising sales began to show significant growth versus 2020, a period badly affected by the health emergency;
- in the **RCS segment**, in the consolidated financial statements of Cairo Communication, gross operating profit (EBITDA) and operating profit (EBIT) amounted to Euro 69.8 million<sup>2</sup> and Euro 43 million (Euro 8.6 million and Euro -17.7 million in 2020). Net operating revenue amounted to Euro 421.8 million. The initiatives implemented to maintain and develop revenue continued. In Italy, regarding the main initiatives only, in the first quarter *La Gazzetta dello Sport* offered its readers four issues of *G Magazine* dedicated to the America's Cup, to the *Milano-Sanremo*, to tennis and one to the European Football Championship. *Corriere della Sera* presented new podcasts ("*Incontri*", "*L'Ammazzacaffè*", "*Radio Italians*", "*Mama non Mama*") and new newsletters: for the titles "*Cook*", "*Buone Notizie*", "*La 27esima ora*", "*Corriere Torino*", "*Corriere Veneto*" and "*Corriere Bologna*". Numerous events were organized and held on the *Digilive* platform, including *Yoga Academy* and the *Pianeta 2021* meetings on sustainability. May saw the 12th edition of "*Cibo a regola d'arte*", with the prize giving of the *2020 Cook Awards*, the fourth edition of "*L'Italia genera Futuro*" while the "*Gazzetta Motori Days*" event was held on *Gazzetta.it*. For the European Football Championship, *La Gazzetta dello Sport* developed various initiatives dedicated to the event. In Spain, regarding the main initiatives only, February saw the launch of a new section of *elmundo.es*: "*Sostenibles*" focused on green transition, reaching 500 thousand unique users and 600 thousand page

<sup>2</sup> Mention should be made that RCS adopts a different definition of EBITDA from the one used by the Cairo Communication Group, as indicated in the above section "Alternative Performance Measures". Additionally, RCS recognizes under "Share of profits (losses) of equity-accounted investees" the Group's share of the results of CAIRORCS Media, fully consolidated by Cairo Communication. As a result of these differences - regarding provisions for risks and the allowance for impairment, totaling Euro 1.9 million in first half 2021, and the pro-rata result of CAIRORCS Media amounting to Euro -0.1 million - EBITDA shown in the RCS Half-Year Report at 30 June 2021, approved on 30 July 2021, amounted to Euro 67.8 million.

views. A new section of *Expansión* was also launched in March 2021: *Economía Sostenible*, on issues of corporate sustainability. In first half 2021, thanks to an increased presence of *Radio Marca*'s audio content on *marca.com* and other digital platforms, *Radio Marca* increased its own digital audience. June saw the launch of the new daily podcast *El Mundo al día*. With the start of the European Football Championship, *Marca* and *marca.com* launched several editorial initiatives dedicated to the event. To celebrate its 35<sup>th</sup> anniversary, *Expansión* organized events and "specials" on digitization, sustainability and the post-Covid economy. On 8 and 9 June, the second edition of "*El Foro Económico Internacional Expansión*" was held under the title "*Building a sustainable world for future generations*" organized in association with The European House Ambrosetti.

Consolidated **net financial debt** at 30 June 2021 amounted to approximately Euro 30.3 million (Euro 63.2 million at 31 December 2020), an improvement of Euro 32.9 million versus end 2020 and of Euro 73.1 million versus June 2020. It should be noted that net financial debt was negatively impacted mainly by the consolidation of m-dis (which carries a debt of Euro 15.1 million at 30 June 2021, due to the seasonal trend in working capital), and the net effects of dividend payouts for Euro 11.6 million. Conversely, the positive effects of the net proceeds from the sale of investments and fixed assets, totaling Euro 6.2 million, refer mainly to the sale of Unidad Editorial Juegos.

**Total net financial debt**, which includes financial liabilities from leases recognized in accordance with IFRS 16 (mainly property leases) of Euro 169.4 million, amounted to Euro 199.7 million (Euro 244.1 million at 31 December 2020).

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The beginning of 2021 was also marked by the continued health emergency and the restrictive containment measures implemented by the authorities, both in Italy and Spain.

Specifically, in Spain at the beginning of the year, and in Italy from the end of February, the number of infections has risen, leading to the adoption of containment measures. Starting from the second half of February in Spain, and since mid-April in Italy, the situation has begun to improve and the restrictive measures are being gradually relaxed.

In both countries, the vaccination campaign has in any case brought a significant improvement in terms of general infections, hospitalizations, ICU occupancy and fatalities. However, starting from the end of June in Spain, and mid-July in Italy, there is growing concern about the spread of new variants and the increase of infections, especially among young people. At the end of July, approximately 58% of the population over the age of twelve in Italy had completed the vaccination cycle, and in Spain approximately 56% of the population. In 2021 too, the Group is meeting the public's strong need to stay informed through its information offering, ensuring a timely service to its viewers and readers. The *La7* programmes, the daily editions of *Corriere della Sera* and *La Gazzetta dello Sport* in Italy, and of *El Mundo*, *Marca* and *Expansión* in Spain, the Group's magazines and web and social platforms are playing a pivotal role in informing and reporting on this difficult phase, focusing on their mission as a non-partisan, trustworthy public service, and establishing themselves as authoritative players in daily television, print and online information, with strong television ratings and digital traffic figures.

The developing situation and the potential effects on the business outlook, which will be constantly monitored also in the further course of the year, are unforeseeable at this time as they depend, inter alia, on how the health emergency plays out in the coming months, as well as on the effectiveness of the vaccination campaign and of the public measures, including the economic ones, implemented in the meantime and those to be implemented.

In any event, the Group believes it has adequate management levers to counter the impacts of the health emergency also in 2021 and thus confirm its medium-long term prospects.

In consideration of the actions already implemented and those planned, in the absence of tighter measures to contain the pandemic, an extension of their duration, or a significant return of the regions in the highest risk bands, the Group believes it can confirm the goal of achieving margins (EBITDA) in 2021 that are higher than those achieved in 2020 and a resulting further significant reduction in financial debt.

Developments in the health emergency, the overall economic climate and the core segments could, however, affect the full achievement of these targets.

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**In the words of Urbano Cairo, chairman and chief executive officer of Cairo Communication:** *“The Cairo Communication Group's half-year report shows important growth results for revenues and margins, for both RCS and the other activities, in particular for La7. I am particularly satisfied with the further reduction in net financial debt to around 30 million euros, which confirms our strong cash generation capacity. In addition, the Group strengthens its leadership in information for our Country in the current relaunch phase.”*

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The Financial Reporting Manager of Cairo Communication S.p.A., Marco Pompignoli, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Finance Law, that the accounting information contained herein is consistent with the underlying accounting documents, books and records.

*The Cairo Communication Group is one of the leading groups in the weekly magazine, TV publishing and advertising sales segments, recognized as one of the first to have developed a multimedia sales approach, beginning with magazines and expanding later into free, digital and pay TV and the Internet. With the acquisition of the control of RCS MediaGroup, Cairo Communication establishes itself as a major multimedia publishing group, well-positioned to become the main player on the Italian market, with a strong international presence in Spain, by leveraging on the high quality and diversification of products in the dailies, magazines, television, web and sporting events segments.*

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This press release is also available on the Company's website [www.cairocommunication.it](http://www.cairocommunication.it)  
in the section NOTICES AND DOCUMENTS / PRESS RELEASES

## Summary of the main consolidated income statement figures at 30 June 2021

The main **consolidated income statement figures** in first half 2021 can be compared as follows with those of 2020:

(€ millions)	30/06/2021	30/06/2020
Gross operating revenue	564.0	449.2
Advertising agency discounts	(30.8)	(25.8)
<b>Net operating revenue</b>	<b>533.2</b>	<b>423.4</b>
Change in inventory	1.0	(0.7)
Other revenue and income	19.4	9.4
<b>Total revenue</b>	<b>553.5</b>	<b>432.1</b>
Production costs	(306.1)	(257.0)
Personnel expense	(166.4)	(157.4)
Income (expense) from equity-accounted investees	(0.0)	(0.7)
Non-recurring income and expense	(0.3)	(5.4)
<b>Gross operating profit (EBITDA)</b>	<b>80.7</b>	<b>11.6</b>
Amortization, depreciation, provisions and write-downs	(36.8)	(36.8)
<b>Operating profit (EBIT)</b>	<b>43.9</b>	<b>(25.2)</b>
Other gains (losses) from financial assets/liabilities	6.9	6.3
Net financial income	(4.9)	(6.2)
<b>Profit (loss) before tax</b>	<b>45.9</b>	<b>(25.0)</b>
Income tax	(6.2)	7.4
Non-controlling interests	(15.1)	5.0
<b>Profit (loss) from continuing operations attributable to the owners of the parent</b>	<b>24.5</b>	<b>(12.7)</b>
Profit (loss) from discontinued operations	-	-
<b>Profit (loss) for the period attributable to the owners of the parent</b>	<b>24.5</b>	<b>(12.7)</b>

*Unaudited reclassified statements*

The Group **statement of comprehensive income** can be analyzed as follows:

€ millions	Half year ended 30/06/2021	Half year ended 30/06/2020
<b>Profit (loss) for the period</b>	<b>39.6</b>	<b>(17.7)</b>
<b>Reclassifiable items of the comprehensive income statement</b>		
Gains (losses) from the translation of financial statements denominated in foreign currencies	-	-
Gains (losses) from cash flow hedges	0.1	(0.3)
Reclassification of gains (losses) from cash flow hedges	0.2	0.3
Tax effect	(0.1)	-
<b>Non-reclassifiable items of the comprehensive income statement</b>		
Gains (losses) from the fair value measurement of equity instruments	-	(0.0)
Actuarial profit (loss) from defined benefit plans	0.1	(0.4)
Tax effect	-	0.1
<b>Total comprehensive income for the period</b>	<b>39.9</b>	<b>(18.1)</b>
- Owners of the parent	24.7	(13.1)
- Non-controlling interests - continuing operations	15.2	(5.0)
	<b>39.9</b>	<b>(18.1)</b>

*Unaudited reclassified statements*

## Summary of the main consolidated statement of financial position figures at 30 June 2021

The main **consolidated statement of financial position figures** at 30 June 2021 can be compared as follows with those at 31 December 2020:

(€ millions)	31/06/2021	31/12/2020
Property, plant and equipment	68.4	70.9
Rights of use on leased assets	153.0	164.9
Intangible assets	980.0	982.3
Financial assets	39.6	39.5
Deferred tax assets	97.6	96.3
Net working capital	(59.5)	(58.6)
<b>Total assets</b>	<b>1,279.0</b>	<b>1,295.4</b>
Non-current liabilities and provisions	110.1	109.3
Deferred tax provision	161.9	164.2
(Financial position)/Net debt	30.3	63.2
Liabilities from lease contracts (pursuant to IFRS 16)	169.4	180.9
Equity attributable to the owners of the parent	488.0	468.4
Equity attributable to non-controlling interests	319.3	309.4
<b>Total equity and liabilities</b>	<b>1,279.0</b>	<b>1,295.4</b>

*Unaudited reclassified statements*

The consolidated **net financial debt** at 30 June 2021, versus the consolidated financial statement amounts at 31 December 2020, is summarized in the table below:

Net financial debt (€ millions)	30/06/2021	31/12/2020	Changes
Cash and cash equivalents	104.5	87.4	17.1
Other current financial assets and financial receivables	0.5	6.9	(6.4)
Current financial assets (liabilities) from derivative instruments	(0.5)	(0.1)	(0.4)
Current financial payables	(97.9)	(97.4)	(0.5)
<b>Current net financial position (net financial debt)</b>	<b>6.7</b>	<b>(3.3)</b>	<b>10.0</b>
Non-current financial payables	(36.8)	(58.9)	22.1
Non-current financial assets (liabilities) from derivative instruments	(0.2)	(1.0)	0.8
<b>Non-current net financial position (net financial debt)</b>	<b>(37.0)</b>	<b>(59.9)</b>	<b>22.9</b>
<b>Net financial position (net financial debt)</b>	<b>(30.3)</b>	<b>(63.2)</b>	<b>32.9</b>
Liabilities from lease contracts (pursuant to IFRS 16)	(169.4)	(180.9)	11.5
<b>Total net financial position (net financial debt)</b>	<b>(199.7)</b>	<b>(244.1)</b>	<b>44.4</b>

*Unaudited reclassified statements*



## Consolidated statement of cash flows

The consolidated statement of cash flows at 30 June 2021 can be compared with the statement of cash flows at 30 June 2020:

€ millions	Half year ended 30 June 2021	Half year ended 30 June 2020
Cash and cash equivalents	87.4	50.1
Bank overdrafts	(0.6)	(8.8)
<b>CASH AND CASH EQUIVALENTS OPENING BALANCE</b>	<b>86.8</b>	<b>41.3</b>
<b>OPERATIONS</b>		
Profit (loss)	39.6	(17.7)
Amortization/depreciation	34.5	33.6
(Gains) losses and other non-monetary items	(7.8)	(6.3)
(Income) expense on investments	0.1	0.7
Net financial income (expense)	4.9	6.2
Dividends from equity-accounted investees	0.0	0.0
Income tax	6.2	(7.4)
(Increase) decrease in employee benefits and provisions for risks and charges	(4.7)	3.1
<b>Cash flow from operations before changes in working capital</b>	<b>72.8</b>	<b>12.2</b>
(Increase) decrease in trade and other receivables	7.4	57.8
Increase (decrease) in payables to suppliers and other liabilities	(7.1)	(13.5)
(Increase) decrease in inventory	1.1	0.3
<b>CASH FLOW FROM OPERATIONS</b>	<b>74.2</b>	<b>56.8</b>
Income tax received (paid)	(0.2)	0.0
Net financial expense paid	(4.6)	(5.7)
<b>CASH FLOW FROM OPERATIONS (A)</b>	<b>69.5</b>	<b>51.1</b>
<b>INVESTING ACTIVITIES</b>		
Net (acquisition) disposal of PPE and intangible assets	(11.2)	(10.3)
Acquisition of investments	(1.5)	0.0
Proceeds from the disposal of investments	6.7	4.0
Proceeds from the sale of property, plant and equipment and intangible assets	1.5	0.0
Net decrease (increase) in other non-current assets	(2.1)	(2.7)
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(6.6)</b>	<b>(9.0)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(11.6)	0.0
Net change in financial payables and other financial assets	(22.0)	(14.4)
Net change in lease liabilities	(13.2)	(10.9)
Increase (decrease) in non-controlling interests' share capital and reserves	0.3	0.2
Other changes in equity	(0.4)	0.0
<b>CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(46.9)</b>	<b>(25.1)</b>
<b>CASH FLOW FOR THE PERIOD (A)+(B)+(C)</b>	<b>15.9</b>	<b>17.0</b>
<b>CASH AND CASH EQUIVALENTS CLOSING BALANCE</b>	<b>102.7</b>	<b>58.2</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents	104.5	58.2
Bank overdrafts	(1.8)	0.0
	<b>102.7</b>	<b>58.2</b>

## Segment reporting at 30 June 2021

The Group's performance can be read better by analyzing the results by **main business segment**:

2021	Magazine publishing	Advertising	TV publishing	Network operator	Trovatore	RCS	Intra and unallocated	Total
(€ millions)	Cairo Editore		La7	Cairo Network				
Gross operating revenue	40.7	196.8	56.4	6.0	0.5	439.4	(175.7)	564.0
Advertising agency discounts	-	(25.4)	-	-	-	(17.6)	12.3	(30.8)
<b>Net operating revenue</b>	<b>40.7</b>	<b>171.3</b>	<b>56.4</b>	<b>6.0</b>	<b>0.5</b>	<b>421.8</b>	<b>(163.5)</b>	<b>533.2</b>
Change in inventory	(0.0)	-	-	-	-	1.0	-	1.0
Other revenue and income	2.2	1.5	1.1	0.8	-	16.0	(2.3)	19.4
<b>Total revenue</b>	<b>42.9</b>	<b>172.8</b>	<b>57.4</b>	<b>6.8</b>	<b>0.5</b>	<b>438.8</b>	<b>(165.8)</b>	<b>553.5</b>
Production costs	(30.4)	(159.5)	(33.9)	(4.7)	(0.4)	(243.1)	165.8	(306.1)
Personnel expense	(8.9)	(12.5)	(19.3)	(0.1)	(0.0)	(125.7)	-	(166.4)
Income (expense) from equity-accounted investees	-	-	-	-	-	(0.0)	-	(0.0)
Non-recurring income (expense)	-	-	-	-	-	(0.3)	-	(0.3)
<b>Gross operating profit (EBITDA)</b>	<b>3.7</b>	<b>0.9</b>	<b>4.2</b>	<b>2.0</b>	<b>0.0</b>	<b>69.8</b>	<b>(0.0)</b>	<b>80.7</b>
Amortization, depreciation, provisions and write-downs	(0.9)	(0.8)	(6.8)	(1.5)	(0.0)	(26.7)	-	(36.8)
<b>Operating profit (EBIT)</b>	<b>2.8</b>	<b>0.1</b>	<b>(2.6)</b>	<b>0.5</b>	<b>0.0</b>	<b>43.0</b>	<b>(0.0)</b>	<b>43.9</b>
Other gains (losses) from financial assets/liabilities	-	-	-	-	-	6.9	-	6.9
Net financial income	(0.0)	(0.2)	0.1	(0.1)	0.0	(4.7)	-	(4.9)
<b>Profit (loss) before tax</b>	<b>2.8</b>	<b>(0.1)</b>	<b>(2.5)</b>	<b>0.4</b>	<b>0.0</b>	<b>45.3</b>	<b>(0.0)</b>	<b>45.9</b>
Income tax	0.9	(0.2)	0.8	(0.1)	(0.0)	(7.7)	-	(6.2)
Non-controlling interests	-	-	-	-	(0.0)	(15.1)	-	(15.1)
<b>Profit (loss) from continuing operations</b>	<b>3.6</b>	<b>(0.3)</b>	<b>(1.7)</b>	<b>0.3</b>	<b>0.0</b>	<b>22.5</b>	<b>(0.0)</b>	<b>24.5</b>
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
<b>Profit (loss) for the period attributable to the owners of the parent</b>	<b>3.6</b>	<b>(0.3)</b>	<b>(1.7)</b>	<b>0.3</b>	<b>0.0</b>	<b>22.5</b>	<b>(0.0)</b>	<b>24.5</b>

### Unaudited reclassified statements

2020	Magazine publishing	Advertising	TV publishing	Network operator	Trovatore	RCS	Intra and unallocated	Total
(€ millions)	Cairo Editore		La7	Cairo Network				
Gross operating revenue	43.4	77.0	49.1	6.0	0.4	334.3	(61.0)	449.2
Advertising agency discounts	-	(11.1)	-	-	-	(14.7)	0.1	(25.8)
<b>Net operating revenue</b>	<b>43.4</b>	<b>65.9</b>	<b>49.1</b>	<b>6.0</b>	<b>0.4</b>	<b>319.5</b>	<b>(60.9)</b>	<b>423.4</b>
Change in inventory	(0.0)	-	-	-	-	(0.7)	-	(0.7)
Other revenue and income	1.0	0.5	1.8	0.0	-	6.7	(0.7)	9.4
<b>Total revenue</b>	<b>44.4</b>	<b>66.4</b>	<b>50.9</b>	<b>6.0</b>	<b>0.4</b>	<b>325.6</b>	<b>(61.6)</b>	<b>432.1</b>
Production costs	(33.2)	(60.9)	(34.5)	(4.6)	(0.3)	(185.2)	61.6	(257.0)
Personnel expense	(8.5)	(4.4)	(18.7)	(0.1)	(0.0)	(125.7)	-	(157.4)
Income (expense) from equity-accounted investees	-	-	-	-	-	(0.7)	-	(0.7)
Non-recurring income (expense)	-	-	-	-	-	(5.4)	-	(5.4)
<b>Gross operating profit (EBITDA)</b>	<b>2.8</b>	<b>1.2</b>	<b>(2.3)</b>	<b>1.3</b>	<b>0.0</b>	<b>8.6</b>	<b>-</b>	<b>11.6</b>
Amortization, depreciation, provisions and write-downs	(0.9)	(1.8)	(6.3)	(1.5)	(0.0)	(26.3)	-	(36.8)
<b>Operating profit (EBIT)</b>	<b>1.9</b>	<b>(0.6)</b>	<b>(8.5)</b>	<b>(0.2)</b>	<b>(0.0)</b>	<b>(17.7)</b>	<b>-</b>	<b>(25.2)</b>
Other gains (losses) from financial assets/liabilities	-	-	-	-	-	6.3	-	6.3
Net financial income	(0.0)	(0.3)	0.0	(0.1)	(0.0)	(5.8)	-	(6.2)
<b>Profit (loss) before tax</b>	<b>1.9</b>	<b>(0.9)</b>	<b>(8.5)</b>	<b>(0.3)</b>	<b>(0.0)</b>	<b>(17.1)</b>	<b>-</b>	<b>(25.0)</b>
Income tax	0.0	0.3	2.2	0.1	(0.0)	4.8	-	7.4
Non-controlling interests	-	-	-	-	0.0	5.0	-	5.0
<b>Profit (loss) from continuing operations</b>	<b>1.9</b>	<b>(0.6)</b>	<b>(6.3)</b>	<b>(0.3)</b>	<b>(0.0)</b>	<b>(7.4)</b>	<b>-</b>	<b>(12.7)</b>
Profit (loss) from discontinued operations	-	-	-	-	-	-	(0.0)	(0.0)
<b>Profit (loss) for the period attributable to the owners of the parent</b>	<b>1.9</b>	<b>(0.6)</b>	<b>(6.3)</b>	<b>(0.3)</b>	<b>(0.0)</b>	<b>(7.4)</b>	<b>(0.0)</b>	<b>(12.7)</b>

### Unaudited reclassified statements

## Details of consolidated revenue at 30 June 2021

Gross operating revenue in first half 2021, split up by main business segment, can be analyzed as follows versus the amounts of 2020:

2021	Magazine publishing Cairo Ed.	Advertising	TV publishing La7	Network operator Cairo Network	Trovatore	RCS	Intra and un allocated	Total
(€ millions)								
TV advertising	-	80.8	54.9	-	-	0.1	(55.0)	<b>80.9</b>
Advertising on print media, Internet and sporting events	4.3	115.0	0.6	-	-	181.6	(108.9)	<b>192.7</b>
Other TV revenue	-	-	0.8	-	-	1.4	(0.1)	<b>2.0</b>
Magazine over-the-counter sales and subscri	36.9	-	-	-	-	181.9	(1.2)	<b>217.6</b>
VAT relating to publications	(0.5)	-	-	-	-	(1.6)	-	<b>(2.1)</b>
Other revenue	-	1.0	-	6.0	0.5	75.9	(10.5)	<b>72.8</b>
<b>Total gross operating revenue</b>	<b>40.7</b>	<b>196.8</b>	<b>56.4</b>	<b>6.0</b>	<b>0.5</b>	<b>439.4</b>	<b>(175.7)</b>	<b>564.0</b>
Other revenue	2.2	1.5	1.1	0.8	0.0	16.0	(2.3)	19.4
<b>Total gross revenue</b>	<b>42.9</b>	<b>198.3</b>	<b>57.4</b>	<b>6.8</b>	<b>0.5</b>	<b>455.5</b>	<b>(178.0)</b>	<b>583.3</b>

2020	Magazine publishing Cairo Ed.	Advertising	TV publishing La7	Network operator Cairo Network	Trovatore	RCS	Intra and un allocated	Total
(€ millions)								
TV advertising	-	68.7	46.9	-	-	0.4	(47.4)	<b>68.5</b>
Advertising on print media, Internet and sporting events	4.5	8.0	1.1	-	-	135.4	(6.2)	<b>142.9</b>
Other TV revenue	-	-	0.9	-	-	3.3	(0.4)	<b>3.8</b>
Magazine over-the-counter sales and subscri	39.4	-	-	-	-	165.9	(0.2)	<b>205.1</b>
VAT relating to publications	(0.5)	-	-	-	-	(1.7)	-	<b>(2.3)</b>
Other revenue	-	0.3	0.2	6.0	0.4	31.1	(6.8)	<b>31.2</b>
<b>Total gross operating revenue</b>	<b>43.4</b>	<b>77.0</b>	<b>49.1</b>	<b>6.0</b>	<b>0.4</b>	<b>334.3</b>	<b>(61.0)</b>	<b>449.2</b>
Other revenue	1.0	0.5	1.8	0.0	0.0	6.7	(0.7)	9.4
<b>Total gross revenue</b>	<b>44.3</b>	<b>77.6</b>	<b>50.9</b>	<b>6.0</b>	<b>0.4</b>	<b>341.0</b>	<b>(61.7)</b>	<b>458.6</b>

### Alternative performance measures

In this press release, in order to provide a clearer picture of the financial performance of the Cairo Communication Group, besides of the conventional financial measures required by IFRS, a number of alternative performance measures are shown that should, however, not be considered substitutes of those adopted by IFRS; until the presentation of the first consolidated financial statements for the year, which include the date of first-time application of IFRS 16, the statements may undergo thorough review in light of possible developments arising from the entry into force of IFRS 16.

The alternative measures are:

· **EBITDA:** used by Cairo Communication as a target to monitor internal management, and in public presentations (to financial analysts and investors). It serves as a unit of measurement to evaluate Group and Parent operational performance, with **EBIT**, and is calculated as follows:

#### **Result from continuing operations, before tax**

+/- Net finance income

+/- Share in associates

#### **EBIT - Operating profit**

+ Amortization & depreciation

+ Bad debt impairment losses

+ Provisions for risks

+ Income (expense) from equity-accounted investees

#### **EBITDA – Operating profit, before amortization, depreciation, provisions and write-downs.**

EBITDA (earnings before interest, tax, depreciation and amortization) is not classified as an accounting measure under IFRS, therefore, the criteria adopted for its measurement may not be consistent among companies or different groups.

RCS defines EBITDA as operating profit (EBIT) before depreciation, amortization and write-downs on fixed assets, and also includes income and expense from equity-accounted investees.

The main differences between the two definitions of EBITDA lie in the provisions for risks and in the allowance for impairment, included in the EBITDA definition adopted by RCS, while they are excluded from the EBITDA definition adopted by Cairo Communication. Owing to the differences between EBITDA definitions adopted, in the Half-Year Report at 30 June 2021, consolidated EBITDA has been determined consistently with the definition adopted by Cairo Communication.

**Consolidated gross revenue:** for a more detailed view, and in consideration of the specific features of the segment, operating revenue - for advertising revenue - includes gross operating revenue, advertising agency discounts and net operating revenue. Consolidated gross revenue is equal to the sum of gross operating revenue and other revenue and income.

The Cairo Communication Group also considers the **net financial position (net financial debt)** as a valid measure of the Group's financial structure determined as a result of current and non-current financial liabilities, net of cash and cash equivalents and current financial assets, excluding financial liabilities (current and non-current) from operating leases recognized in the financial statements pursuant to IFRS 16.

The **total net financial position (net financial debt)** also includes financial liabilities from leases recorded in the financial statements pursuant to IFRS 16, previously classified as operating leases and non-remunerated debt, which have a significant implicit or explicit financing component (e.g. trade payables with a maturity of over 12 months), and any other non-interest-bearing loans (as defined by the "Guidelines on disclosure requirements under the Prospectus Regulation" published by ESMA on 4 March 2021 with document "ESMA32-382-1138" and taken up by CONSOB in communication 5/21 of 29 April 2021).

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