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approved

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Vedi allegato.



CAIROCOMMUNICATION

Press Release - Results at 31 March 2022 approved

- **In first quarter 2022:**
 - **The Group achieved consolidated gross revenue of Euro 253.6 million (Euro 246.8 million in 2021), EBITDA of Euro 14.6 million (Euro 13.8 million in 2021), EBIT of Euro -3.8 million (Euro -5.4 million in 2021) and a net result of Euro -2.9 million (Euro -3.9 million in 2021)**
 - **At 31 March, the net financial position stood at Euro 70.7 million, improving by Euro 33.7 million versus end 2021**
- **RCS achieved higher revenue and margins and continued to generate positive cash flows, with an improvement in the net financial position of Euro 24 million. Digital revenue makes for approximately 24% of the total. Advertising sales on online media make for 47.3%**
- ***Corriere della Sera* leading Italian daily newspaper on newsstands with a total active digital customer base of approximately 427 thousand subscriptions. The customer base of *Gazzetta's* pay products increases too, with approximately 83 thousand subscriptions, and for *El Mundo* and *Expansion* in Spain, with 91 thousand and 44 thousand subscriptions, respectively**
- **RCS and Unidad Editorial top online publishers respectively in Italy (Audiweb - figures at March 2022) and Spain (GFK - figures at March 2022) for average monthly unique users**
- **La7 confirms the high audience levels (3.61% all-day share and 4.68% prime time). Specifically, in March La7 was the fourth national channel in terms of all-day audience (4.4% share) and fifth in prime time (5.3% share)**
- **The Cairo Editore magazine publishing segment achieved EBITDA of Euro 1.3 million, basically in line with 2021 (Euro 1.5 million)**

Milan, 13 May 2022: at its meeting today, the Board of Directors of Cairo Communication reviewed and approved the Interim Management Statement at 31 March 2022.

Income statement and balance sheet figures (€ millions)	31/03/2022	31/03/2021
Consolidated gross revenue	253.6	246.8
EBITDA	14.6	13.8
EBIT	(3.8)	(5.4)
Profit (loss) attributable to the owners of the parent	(2.9)	(3.9)
	31/03/2022	31/12/2021
Net financial position (net financial debt)	70.7	37.0

The beginning of 2022 was yet again marked by the continuing health emergency, with the spread of the Omicron variant. Starting from early February, the situation began to improve in Italy and Spain, allowing both countries to speed up the phase of gradual and significant reduction in restrictions.

After the downtrend of 2020, the economic recovery that started in 2021 was marked by higher prices for transportation and a number of commodities, including printing paper and energy, and in some cases, supply difficulties. This situation is causing a general increase in production costs and difficulties in production processes for several industries, whose current production is struggling to keep pace with the trend in demand. Broadly speaking, after several years of virtual price stability, in 2021 the national consumer price index recorded a stronger year-on-year growth in both Italy and Spain than in the more recent past, and both countries in the early months of 2022 are experiencing high inflation rates.

With regard to the Group, this economic context impacts on production costs, and may also affect the performance of the advertising market, as it may influence the advertisers' propensity to spend.

As from end February 2022, the conflict in Ukraine and its consequences, including in terms of economic sanctions against Russia and the impacts on the economy and trade, especially on energy, production and logistics supply chains, are creating an overall situation of great uncertainty. The Group has no direct exposure and/or business activities towards the markets affected by the conflict and/or sanctioned entities. The current situation is escalating the mentioned cost dynamics, already underway since 2021.

In first quarter 2022, in a context still marked by uncertainty due to the conflict in Ukraine and the continuing health emergency:

- the **Group** achieved higher revenue and margins than in the same period of 2021 and continued to generate positive cash flows, with an improvement in the net financial position of Euro 33.7 million versus end 2021;
- **RCS** revenue and EBITDA increased versus first quarter 2021, and at the end of the quarter the net financial position stood at Euro 40.7 million, improving by Euro 24 million versus end 2021. *Corriere della Sera* achieved remarkable newsstand circulation results and continued the growth of digital operations: at end March, its total active digital customer base (digital edition, membership and m-site) counted 427 thousand subscriptions. At end March, the customer base for *Gazzetta's* pay products (*G ALL*, *G+*, *GPRO* and *Magic*) counted 83 thousand subscriptions. Digital subscriptions also grew in Spain, reaching 91 thousand subscriptions for *El Mundo* and 44 thousand subscriptions for *Expansion* at end March 2022. 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 the first three months of 2022 (*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 counted in the first three months of 2022 28.1 million and 19 million average monthly unique users and 3.9 million and 3.2 million average daily unique users respectively (*Audiweb*). With an aggregate figure of approximately 32 million average monthly unique users (net of duplications) in the first three months of 2022, RCS is once again the leading online publisher in Italy. In Spain, as part of the online activities, *elmundo.es*, *marca.com* and *expansion.com* reached 55.2 million, 108.1 million and 12.6 million average monthly unique browsers respectively in first quarter 2022, comprising both domestic and foreign browsers and including apps (*Google Analytics*). According to GFK's new survey, which began in January 2022, Unidad Editorial is the leading online publisher in Spain in terms of average monthly unique users in the period January-March 2022. Total digital revenue (Italy and Spain), which amounted to approximately Euro 44 million, accounted for approximately 24% of total revenue. Total advertising sales from RCS online media amounted to Euro 29.7 million in first quarter 2022, making for 47.3% of total advertising revenue;
- the **TV publishing (La7) and network operator segment**¹ confirmed the high audience levels of the La7 channel (3.61% in the all-day share and 4.68% in prime time). Specifically, in March La7 was the fourth national channel in terms of all-day audience (4.4% share) and fifth in prime time (5.3% share). In first quarter 2022, gross advertising sales on La7 and La7d channels amounted to approximately Euro 33.8 million (Euro 35.9 million in 2021). The channel's news and discussion programmes in the quarter all continued to deliver remarkable results: *Otto e Mezzo* with 7.1% average share from Monday to Friday, *TgLa7 edizione delle 20* 5.3% from Monday to Friday,

¹ As a result of the changes to the Group's organizational structure, also in terms of decision-making levels, resource allocation, performance monitoring and reporting, as from third quarter 2021, the business segments have been reviewed, with the aggregation into a single area named "TV Publishing (La7) and Network Operator" of the two previous "TV Publishing (La7)" and "Network Operator", both mutually synergistic and functional; their aggregation within the Group ensures an effective and efficient management.

diMartedì 6.1%, *Piazzapulita* 5.4%, *Propaganda Live* 5.3%, *Non è l'Arena* 4.9%, *Omnibus La7* 3.6%, *Coffee Break* 3.5%, *L'Aria che tira* 5.3%, and *Tagadà* 3.4%.

- the **magazine publishing segment Cairo Editore** achieved results basically in line with 2021 and confirmed high circulation levels of the publications.

In first quarter 2022, consolidated gross revenue amounted to approximately Euro 253.6 million (comprising gross operating revenue of Euro 245.3 million and other revenue and income of Euro 8.3 million) versus Euro 246.8 million in the same period of 2021 (comprising gross operating revenue of Euro 237.7 million and other revenue and income of Euro 9.1 million), up by Euro 6.8 million.

EBITDA and EBIT came to Euro 14.6 million and Euro -3.8 million (Euro 13.8 million and Euro -5.4 million in first quarter 2021). Net non-recurring expense and income amounted to Euro -0.4 million, attributable to measures on personnel.

The net result attributable to the owners of the parent came to approximately Euro -2.9 million (Euro -3.9 million in the same period of 2021).

Looking at the business segments, in first quarter 2022:

- in the **magazine publishing segment (Cairo Editore)**, EBITDA and EBIT came to Euro 1.3 million and Euro 0.8 million (Euro 1.5 million and Euro 1 million in 2021). Regarding weeklies, with approximately 1 million average copies sold in the period January-March 2022 (*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 1.2 million;
- in the **TV publishing (La7) and network operator segment**, the Group achieved EBITDA of approximately Euro 0.2 million (Euro 0.8 million in 2021). Given the characteristics of La7's programming schedule and distribution of advertising revenue over the year, the first quarter usually has a higher percentage of costs incurred for in-house productions on revenue, compared to the rest of the year. EBIT was approximately Euro -3.4 million (Euro -3.3 million in 2021);
- in the **advertising segment**, EBITDA amounted to Euro -0.3 million (basically in line with 2021), while EBIT came to Euro -0.7 million (Euro -0.5 million in 2021);
- in the **RCS segment**, in the consolidated financial statements of Cairo Communication, EBITDA and EBIT amounted to Euro 13.5 million² and Euro -0.4 million (Euro 11.7 million and Euro -2.6 million in 2021). Moreover, RCS's seasonality factors generally impact on the results of the first and third quarters of the year. Net operating revenue amounted to Euro 183.6 million. Initiatives continued on maintaining and developing revenue. In February, *Corriere della Sera* presented *Login*, the publishing system dedicated to innovation, technology and the digital revolution; from 5 to 8 March with *IO Donna*, *La27esima ora*, *Le Contemporanee* and La Sapienza University of Rome, it organized the event "*Obiettivo 5 - parità di genere*" (surveys, workshops and debates on the theme of gender equality) and ensured editorial coverage of the main events through special issues, podcasts and newsletters dedicated to the Russia-Ukraine conflict with *Corriere della Sera's* top names and correspondents. The weekly *OGGI*, headed by Carlo Verdelli from 1 February 2022, revamped its content; 31 March saw the restyling of *Amica*. In Spain, on 14 January *El Mundo* launched *La Lectura*, a cultural magazine modelled after its Italian counterpart of *Corriere della Sera*; on 26 March, the women's magazine *YoDona* returned to newsstands with a new graphical design and revamped digital rendition. *ElMundo*, *elmundo.es* and *expansion.es* also produced new daily newsletters and supplements for in-depth coverage of the ongoing conflict in Ukraine.

² 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". As a result of these differences, which lie in the provisions for risks and in the allowance for impairment, totaling Euro 1.1 million in first quarter 2022 - EBITDA shown in the RCS Interim Management Statement at 31 March 2022, approved on 11 May 2022, amounted to Euro 12.3 million. As from the Annual Report at 31 December 2021, the item "Net income (expense) from equity-accounted investees, previously under EBITDA, has been classified after Operating profit (loss) or EBIT, among financial items. Consistently, this item was also reclassified for 31 March 2021.

The consolidated **net financial position** at 31 March 2022 stood at approximately Euro 70.7 million, improving by Euro 33.7 million versus end 2021 (Euro 37 million) thanks to the strong push from normal operations. At 31 March 2022, the net financial position of RCS came to Euro 40.7 million (Euro 16.7 million at 31 December 2021).

Total net financial debt, which includes financial liabilities from leases recognized in accordance with IFRS 16 (mainly property leases) of Euro 179.5 million, amounted to Euro 108.8 million (Euro 147.8 million at 31 December 2021).

The beginning of 2022 was yet again marked by the continuing health emergency, with the spread of the Omicron variant. Starting from early February, the situation began to improve in Italy and Spain, allowing both countries to speed up the phase of gradual and significant reduction in restrictions.

As from end February 2022, the conflict in Ukraine and its consequences, including in terms of economic sanctions against Russia and the impacts on the economy and trade, especially on energy, production and logistics supply chains, are creating an overall situation of great uncertainty and a possible slowdown in the economic growth expected in the relevant markets. The Group has no direct exposure and/or business activities towards the markets affected by the conflict and/or sanctioned entities.

The current situation is fueling the inflationary pressure and the growing trend in the costs of various production factors already underway since 2021 and, in some cases, also difficulties in supply, therefore in the production processes for several industries.

With regard to the Group, this economic context impacts on production costs, on paper in particular, and may also affect the performance of the advertising market, as it may influence the advertisers' propensity to spend.

In first quarter 2022 too, the Group met 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 have played 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.

As for both the health emergency and the ongoing conflict, 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 context plays out, on the developments and duration of the conflict in Ukraine and its geopolitical effects, and on the effectiveness of the public measures - including economic ones - which have been and will be implemented.

In consideration of the actions already implemented and those planned, in the absence of a deterioration of health conditions and/or the consequences of a continuing conflict in Ukraine and/or the trend in costs, the Group believes that it can set itself the target of confirming in 2022 margins (EBITDA) in line with those achieved in 2021 and a resulting further improvement in the net financial position versus end 2021.

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

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.

Cairo Communication is one of the leading groups in the publishing and advertising sales segments, recognized as one of the first to have developed a multimedia sales approach. 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, web, television, magazines and sporting events segments.

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This press release is also available on the Company's website www.cairocommunication.it
in the section NOTICES AND DOCUMENTS / *PRESS RELEASES*

Summary of the main consolidated income statement figures at 31 March 2022

The main **consolidated income statement figures** in first quarter 2022 can be compared as follows with those of 2021:

(€ millions)	31/03/2022	31/03/2021
Gross operating revenue	245.3	237.7
Advertising agency discounts	(12.7)	(12.3)
Net operating revenue	232.6	225.4
Change in inventory	2.1	1.1
Other revenue and income	8.2	9.1
Total revenue	243.0	235.6
Production costs	(148.2)	(140.0)
Personnel expense	(79.8)	(81.9)
Non-recurring income and expense	(0.4)	-
EBITDA	14.6	13.8
Amortization, depreciation, provisions and write-downs	(18.4)	(19.1)
EBIT	(3.8)	(5.4)
Other gains (losses) from financial assets/liabilities	(0.4)	(0.6)
Net financial income	(2.1)	(2.4)
Profit (loss) before tax	(6.3)	(8.4)
Income tax	3.0	2.8
Non-controlling interests	0.4	1.6
Profit (loss) from continuing operations attributable to the owners of the parent	(2.9)	(3.9)
Profit (loss) from discontinued operations	-	-
Profit (loss) for the period attributable to the owners of the parent	(2.9)	(3.9)

Unaudited reclassified statements

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

€ millions	31/03/2022	31/03/2021
Profit (loss) for the period	(3.3)	(5.5)
Reclassifiable items of the comprehensive income statement		
Gains (losses) from the translation of financial statements denominated in foreign currencies	0.0	-
Gains (losses) from cash flow hedges	0.5	0.1
Reclassification of gains (losses) from cash flow hedges	0.1	-
Tax effect	(0.1)	-
Non-reclassifiable items of the comprehensive income statement		
Gains (losses) from the fair value measurement of equity instruments	-	-
Total comprehensive income (loss) for the period	(2.7)	(5.4)
- Owners of the parent	(2.5)	(3.9)
- Non-controlling interests	(0.2)	(1.5)
	(2.7)	(5.4)

Unaudited reclassified statements

Summary of the main consolidated statement of financial position figures at 31 March 2022

The main **consolidated statement of financial position figures** at 31 March 2022 can be analyzed versus the situation at 31 December 2021:

(€ millions)	31/03/2022	31/12/2021
Property, plant and equipment	54.7	57.0
Rights of use on leased assets	163.4	168.5
Intangible assets	984.2	985.1
Financial assets	38.7	37.2
Deferred tax assets	90.4	86.8
Net working capital	(104.8)	(64.1)
Total assets	1,226.6	1,270.5
Non-current liabilities and provisions	110.4	112.9
Deferred tax provision	162.5	162.1
(Financial position)/Net debt	(70.7)	(37.0)
Liabilities from leases (pursuant to IFRS 16)	179.5	184.8
Equity attributable to the owners of the parent	511.9	514.4
Equity attributable to non-controlling interests	333.0	333.3
Total equity and liabilities	1,226.6	1,270.5

Unaudited reclassified statements

The consolidated **net financial position** at 31 March 2022, versus the situation at 31 December 2021, is summarized as follows:

Net financial position (€ millions)	31/03/2022	31/12/2021	Changes
Cash and cash equivalents	136.9	113.0	23.9
Other current financial assets and financial receivables	1.2	0.2	1.0
Current financial assets (liabilities) from derivative instruments	0.5	(0.3)	0.8
Current financial payables	(33.1)	(36.4)	3.3
Current net financial position (net financial debt)	105.5	76.5	29.0
Non-current financial payables	(34.7)	(39.6)	4.9
Non-current financial assets (liabilities) from derivative instruments	(0.1)	0.1	(0.2)
Non-current net financial position (net financial debt)	(34.8)	(39.5)	4.7
Net financial position (net financial debt)	70.7	37.0	33.7
Liabilities from leases (pursuant to IFRS 16)	(179.5)	(184.8)	5.2
Total net financial position (net financial debt)	(108.8)	(147.8)	39.0

Unaudited reclassified statements

Segment reporting at 31 March 2022

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

2022	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	17.9	79.2	26.1	190.8	(68.8)	245.3
Advertising agency discounts	-	(10.2)	-	(7.2)	4.7	(12.7)
Net operating revenue	17.9	69.0	26.1	183.6	(64.1)	232.6
Change in inventory	0.1	-	-	2.0	-	2.1
Other revenue and income	1.7	0.8	0.9	5.5	(0.8)	8.2
Total revenue	19.7	69.8	27.1	191.2	(64.8)	243.0
Production costs	(14.2)	(64.6)	(17.3)	(116.9)	64.8	(148.2)
Personnel expense	(4.2)	(5.4)	(9.6)	(60.5)	(0.0)	(79.8)
Non-recurring income (expense)	-	-	-	(0.4)	-	(0.4)
EBITDA	1.3	(0.3)	0.2	13.5	(0.0)	14.6
Amortization, depreciation, provisions and write-downs	(0.5)	(0.5)	(3.6)	(13.9)	(0.0)	(18.4)
EBIT	0.8	(0.7)	(3.4)	(0.4)	(0.0)	(3.8)
Other gains (losses) from financial assets/liabilities	-	-	-	(0.4)	-	(0.4)
Net financial income	(0.0)	(0.1)	0.0	(2.1)	(0.0)	(2.1)
Profit (loss) before tax	0.8	(0.8)	(3.4)	(2.9)	(0.0)	(6.3)
Income tax	(0.0)	0.2	1.0	1.9	-	3.0
Non-controlling interests	-	-	-	0.4	0.0	0.4
Profit (loss) for the period attributable to the owners of the parent	0.8	(0.6)	(2.4)	(0.6)	(0.0)	(2.9)

Unaudited reclassified statements

2021	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	19.8	79.4	25.6	176.6	(63.8)	237.7
Advertising agency discounts	-	(10.2)	-	(2.2)	-	(12.3)
Net operating revenue	19.8	69.2	25.6	174.4	(63.8)	225.4
Change in inventory	0.0	-	-	1.1	-	1.1
Other revenue and income	1.3	0.2	1.4	6.8	(0.6)	9.1
Total revenue	21.2	69.5	27.0	182.3	(64.3)	235.6
Production costs	(15.3)	(64.1)	(16.6)	(108.3)	64.4	(140.0)
Personnel expense	(4.4)	(5.5)	(9.6)	(62.3)	(0.0)	(81.9)
Non-recurring income (expense)	-	-	-	-	-	-
EBITDA	1.5	(0.2)	0.8	11.7	0.0	13.8
Amortization, depreciation, provisions and write-downs	(0.4)	(0.4)	(4.1)	(14.3)	(0.0)	(19.1)
EBIT	1.0	(0.5)	(3.3)	(2.6)	0.0	(5.4)
Other gains (losses) from financial assets/liabilities	-	-	-	(0.6)	-	(0.6)
Net financial income	(0.0)	(0.1)	0.1	(2.3)	0.0	(2.4)
Profit (loss) before tax	1.0	(0.6)	(3.3)	(5.5)	0.0	(8.4)
Income tax	(0.1)	0.1	0.8	2.0	(0.0)	2.8
Non-controlling interests	-	-	-	1.6	(0.0)	1.6
Profit (loss) for the period attributable to the owners of the parent	0.9	(0.5)	(2.4)	(1.9)	0.0	(3.9)

Unaudited reclassified statements

Details of consolidated revenue at 31 March 2022

The breakdown of **gross operating revenue** in first quarter 2022, split up by main business segment, can be analyzed as follows versus the amounts of 2021:

2022	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
TV advertising	-	34.0	23.4	0.0	(23.5)	33.9
Advertising on print media, Internet and sporting events	1.4	44.9	0.5	70.0	(42.6)	74.1
Other TV revenue	-	-	0.3	0.7	(0.1)	0.9
Magazine over-the-counter sales and subscriptions	16.7	-	-	90.7	(0.6)	106.8
VAT relating to publications	(0.2)	-	-	0.1	-	(0.2)
Sundry revenue	-	0.3	2.0	29.4	(2.0)	29.7
Total gross operating revenue	17.9	79.2	26.1	190.8	(68.8)	245.3
Other revenue	1.7	0.8	0.9	5.5	(0.8)	8.2
Total gross revenue	19.7	80.0	27.1	196.3	(69.5)	253.6

2021	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
TV advertising	-	36.3	24.7	0.0	(25.0)	36.0
Advertising on print media, Internet and sporting events	1.6	42.8	0.5	59.6	(36.2)	68.3
Other TV revenue	-	-	0.3	0.7	(0.1)	0.9
Magazine over-the-counter sales and subscriptions	18.5	-	-	89.9	(0.6)	107.8
VAT relating to publications	(0.3)	-	-	(0.8)	-	(1.1)
Sundry revenue	-	0.4	0.1	27.2	(1.9)	25.7
Total gross operating revenue	19.8	79.4	25.6	176.6	(63.8)	237.7
Other revenue	1.3	0.2	1.4	6.8	(0.6)	9.1
Total gross revenue	21.0	79.6	27.0	183.4	(64.3)	246.8

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.

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

+/- Other income (expense) from financial assets and liabilities

EBIT - Operating profit (loss)

+ Amortization & depreciation

+ Bad debt impairment losses

+ Provisions for risks

EBITDA – Operating profit (loss), before amortization, depreciation, provisions and write-downs.

Net income (expense) from equity-accounted investees, previously classified under EBITDA, as from 2021, has been reclassified to a post-EBIT line item

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/loss (EBIT) before depreciation, amortization and write-downs on fixed assets

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 this press release, consolidated EBITDA has been determined consistently with the definition adopted by the parent company 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 leases previously classified as operating and recognized in the financial statements in accordance with 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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