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CAIROCOMMUNICATION

Press Release - Results at 30 June 2022 approved

- **In first half 2022:**
 - **Group's EBITDA before non-recurring expense (Euro 80.3 million), while impacted by an increase in paper and other input costs of approximately Euro 12.5 million, was basically in line with the same period of 2021 (Euro 81 million),**
 - **The Group achieved consolidated gross revenue of Euro 598.6 million (Euro 583.3 million in 2021), EBITDA of Euro 69 million (Euro 80.7 million in 2021), EBIT of Euro 31.3 million (Euro 43.9 million in 2021) and a net result of Euro 11.3 million (Euro 24.5 million in 2021, which had benefited the gain of Euro 7.3 million on an investment asset).**
 - **At 30 June, the net financial position stood at Euro 33.7 million, after distributing dividends of Euro 36.7 million at the Group level**
- **RCS recorded higher revenue and margins before non-recurring expense and continued to generate positive cash flows. At end June, the net financial position stood at Euro 15.5 million, after distributing dividends of Euro 31 million. Advertising sales on online media account for 39%**
- ***Corriere della Sera* leading Italian daily newspaper on newsstands with a total active digital customer base of approximately 436 thousand subscriptions. The customer base of *Gazzetta's* pay products increases too, with approximately 89 thousand subscriptions, and for *El Mundo* and *Expansion* in Spain, with 93 thousand and 46 thousand subscriptions, respectively**
- **La7 confirms the high audience levels (4.01% all-day share and 5.05% prime time in first half year). In first half, La7 was the sixth national channel in terms of prime time ratings**
- **The Cairo Editore magazine publishing segment achieved EBITDA of Euro 1.8 million, down versus Euro 3.7 million in 2021, due mainly to the trend in paper costs**

Milan, 2 August 2022: at its meeting today, the Board of Directors of Cairo Communication reviewed and approved the Half-Year Report at 30 June 2022.

Income statement and balance sheet figures (€ millions)	30/06/2022	30/06/2021
Consolidated gross revenue	598.6	583.3
EBITDA	69.0	80.7
EBIT	31.3	43.9
Profit (loss) attributable to the owners of the parent	11.3	24.5
	30/06/2022	31/12/2021
Net financial position (net financial debt)	33.7	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 half 2022, in a context still marked by uncertainty due to the conflict in Ukraine and the continuing health emergency:

- the **Group** achieved higher revenue than in the same period of 2021, confirmed the strong margins from current operations that continued to generate positive cash flows, with a net financial position of Euro 33.7 million at 30 June 2022 (Euro 37 million at 31 December 2021), after distributing dividends at the Group level of Euro 36.7 million;
- **RCS** achieved higher revenue and EBITDA before non-recurring expense than in first half 2021. At end June, the net financial position stood at Euro 15.5 million (Euro 16.7 million at end 2021), after distributing dividends of approximately Euro 31 million. *Corriere della Sera* achieved remarkable newsstand circulation results and continued the growth of digital operations: at end June, its total active digital customer base (digital edition, membership and m-site) counted 436 thousand subscriptions. At end June, the customer base for *Gazzetta's* pay products (*G ALL*, *G+*, *GPRO* and *Magic*) counted 89 thousand subscriptions. Digital subscriptions also grew in Spain, reaching 93 thousand subscriptions for *El Mundo* and 46 thousand subscriptions for *Expansion* at end June 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 (*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 first five months of 2022, counted 26.9 million and 19 million average monthly unique users and 3.7 million and 3.1 million average daily unique users respectively (*Audiweb*).

In Spain, as part of the online activities, *elmundo.es*, *marca.com* and *expansion.com* reached 51.3 million, 108.4 million and 12 million average monthly unique browsers respectively in first half 2022, comprising both domestic and foreign browsers and including apps (*Google Analytics*). Total digital revenue (Italy and Spain), which amounted to approximately Euro 95.7 million, accounted for approximately 21.5% of total revenue. Total advertising sales from RCS online media amounted to Euro 67.4 million in first half 2022, making for 39% of total advertising revenue;

- the **TV publishing (La7) and network operator segment**¹ confirmed the high audience levels of the La7 channel (4.01% in the all-day share and 5.05% in prime time in first half year). Specifically, in first half, La7 was the sixth national channel in terms of prime time ratings. In first half 2022, gross advertising sales on La7 and La7d channels amounted to approximately Euro 73.4 million (Euro 79.9 million in 2021). The channel's news and discussion programmes in the first half all continued to deliver remarkable results: *Otto e Mezzo* with 7.6% average share from Monday to Friday, *TgLa7 edizione delle 20* 6% from Monday to Friday, *diMartedì* 6.5%, *Piazzapulita* 5.9%, *Propaganda Live* 5.6%, *Non è l'Arena* 5.5%, *Omnibus La7* 4%, *Coffee Break* 4.2%, *L'Aria che tira* 5.7%, *Tagadà* 3.8%, *Atlantide* 4.1% and *In Onda* with 4.7%. In the first six months, La7 retained its

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.

leadership position among generalist TV channels in terms of hours of information (nearly 16 hours daily average) and hours of live broadcasting (approximately 13 hours daily average);

- the **Cairo Editore magazine publishing segment** recorded a decline in results, due mainly to the increase in the cost of paper.

In first half 2022, consolidated gross revenue amounted to approximately Euro 598.6 million (comprising gross operating revenue of Euro 580.1 million and other revenue and income of Euro 18.5 million) versus Euro 583.3 million in the same period of 2021 (comprising gross operating revenue of Euro 564 million and other revenue and income of Euro 19.4 million), up by Euro 15.3 million.

In the first half, EBITDA before net non-recurring expense (Euro 80.3 million), while impacted by an increase in paper and other input costs of approximately Euro 12.5 million, was basically in line with the same period of 2021 (Euro 81 million).

EBITDA and EBIT came to Euro 69 million and Euro 31.3 million, (respectively Euro 80.7 million and Euro 43.9 million in first half 2021). Net non-recurring expense and income came to Euro -11.3 million and include Euro 10 million in expense attributable to the settlement of the litigation related to the Via Solferino/San Marco/Balzan property complex.

Profit attributable to the owners of the parent came to approximately Euro 11.3 million (Euro 24.5 million in the same period of 2021, which had benefited from the gain of Euro 7.3 million earned from the sale of Unidad Editorial Juegos S.A.).

Looking at the business segments, in first half 2022:

- in the **magazine publishing segment (Cairo Editore)**, EBITDA and EBIT came to Euro 1.8 million and Euro 0.7 million (Euro 3.7 million and Euro 2.8 million in 2021). Regarding weeklies, with approximately 1 million average copies sold in the period January-May 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 2.9 million (Euro 6.3 million in the same period of 2021). EBIT was approximately Euro -4.9 million (Euro -2.1 million in 2021);
- in the **advertising segment**, EBITDA came to Euro 1.6 million (Euro 0.9 million in the same period of 2021) and EBIT to Euro 0.6 million (Euro 0.1 million in 2021);
- in the **RCS segment**, in the consolidated financial statements of Cairo Communication, in the first half EBITDA before net-recurring expense (Euro 74 million) was up by Euro 3.9 million versus the same period of 2021 (Euro 70.1 million). EBITDA and EBIT came to Euro 62.7 million² and Euro 35 million (Euro 69.8 million and Euro 43 million in the same period of 2021) impacted by an increase in paper and other input costs of approximately Euro 10 million. Net operating revenue amounted to Euro 445.7 million. Initiatives continued on maintaining and developing revenue. In the first half, *Corriere della Sera* unveiled the new *Login*, ensured editorial coverage of major events through special issues, podcasts and newsletters dedicated to the Russia-Ukraine war with *Corriere della Sera*'s top names and correspondents, while for digital projects it produced several new podcasts and formats. Major events were also organized, such as “*Obiettivo 5-parità di genere*”, the third edition of “*Civil Week*,” the thirteenth edition of “*Cibo a Regola d’arte*” and “*Italia Genera Futuro*”. The weekly magazine *OGGI*, headed by Carlo Verdelli as from 1 February 2022, fully revamped its content with the launch in June, backed by a strong investment in marketing and a major product enhancement, of the new *OGGI*, which recorded an average circulation of approximately 241 thousand print copies in the first six issues, up by approximately 100 thousand copies versus the average figure for May

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 next section “Alternative Performance Measures”. As a result of these differences - regarding provisions for risks and the allowance for impairment, totaling Euro 2.1 million in first half 2022 - EBITDA shown in the RCS Half-Year Report at 30 June 2022, approved on 29 July 2022, amounted to Euro 60.6 million. As from the Annual Report at 31 December 2021, the item “Net income (expense) from equity-accounted investees” (zero in first half 2021), previously under EBITDA, has been classified after Operating profit (loss) or EBIT, among financial items.

(+58%). 31 March also saw the restyling of *Amica*. In Spain, *El Mundo* launched the cultural magazine *La Lectura* on 14 January, and the revamped women's magazine *YoDona* returned to newsstands on 26 March. The new supplement *Expansión Fiscal* was launched on 22 June. In Spain too, the organization of major events continued, including the third edition of "*El foro económico internacional Expansión*", the fourth edition of "*Marca Sports Festival*", and the annual congress "*Energy and Happiness*" by *Telva*. *ElMundo*, *elmundo.es* and *expansion.es* also produced new daily newsletters and supplements for in-depth coverage of the ongoing conflict in Ukraine.

The consolidated **net financial position** at 30 June 2022 stood at approximately Euro 33.7 (Euro 37 million at end 2021), after distributing dividends at the Group level of Euro 36.7 million. At 30 June 2022, the net financial position of RCS stood at Euro 15.5 million (Euro 16.7 million at 31 December 2021), after distributing dividends of Euro 31 million. Compared with end June 2021, when net financial debt stood at Euro 30.3 million, the net financial position improved by Euro 64 million, after distributing dividends of Euro 36.7 million at the Group level (for a total of Euro 100.7 million).

Total net financial debt, which includes financial liabilities from leases recognized in accordance with IFRS 16 (mainly property leases) of Euro 177.8 million, amounted to Euro 144.1 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 half 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) before non-recurring expense basically in line with those achieved in 2021 and to continue in the second half of the year with additional cash generation from operations.

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 30 June 2022

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

(€ millions)	30/06/2022	30/06/2021
Gross operating revenue	580.1	564.0
Advertising agency discounts	(30.1)	(30.8)
Net operating revenue	550.0	533.2
Change in inventory	2.4	1.0
Other revenue and income	18.5	19.4
Total revenue	570.9	553.5
Production costs	(329.3)	(306.1)
Personnel expense	(161.4)	(166.4)
Non-recurring income and expense	(11.3)	(0.3)
EBITDA	69.0	80.7
Amortization, depreciation, provisions and write-downs	(37.6)	(36.8)
EBIT	31.3	43.9
Other gains (losses) from financial assets/liabilities	-	6.9
Net financial income	(4.2)	(4.9)
Profit (loss) before tax	27.1	45.9
Income tax	(6.2)	(6.2)
Non-controlling interests	(9.5)	(15.1)
Profit (loss) for the period attributable to the owners of the parent	11.3	24.5

Unaudited reclassified statements

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

€ millions	30/06/2022	30/06/2021
Profit (loss) for the period	20,8	39,6
<i>Reclassifiable items of the comprehensive income statement</i>		
Gains (losses) from the translation of financial statements	0,1	-
Gains (losses) from cash flow hedges	0,9	0,1
Reclassification of gains (losses) from cash flow hedges	0,2	0,2
Tax effect	(0,2)	(0,1)
<i>Non-reclassifiable items of the comprehensive income statement</i>		
Actuarial gains (losses) from defined benefit plans	0,8	0,1
Tax effect	(0,2)	-
Gains (losses) from the fair value measurement of equity instrument	-	-
Total comprehensive income for the period	22,4	39,9
- Owners of the parent	12,6	24,7
- Non-controlling interests - continuing operations	9,8	15,2
	22,4	39,9

Unaudited reclassified statements

Summary of the main consolidated statement of financial position figures at 30 June 2022

The main **consolidated statement of financial position figures** at 30 June 2022 can be compared as follows with those at 31 December 2021:

(€ millions)	30/06/2022	31/12/2021
Property, plant and equipment	53.4	57.0
Rights of use on leased assets	161.5	168.5
Intangible assets	984.4	985.1
Financial assets	40.9	37.2
Deferred tax assets	85.0	86.8
Net working capital	(78.2)	(64.1)
Total assets	1,247.0	1,270.5
Non-current liabilities and provisions	106.7	112.9
Deferred tax provision	162.7	162.1
(Financial position)/Net debt	(33.7)	(37.0)
Liabilities from lease contracts (pursuant to IFRS 16)	177.8	184.8
Equity attributable to the owners of the parent	502.8	514.4
Equity attributable to non-controlling interests	330.7	333.3
Total equity and liabilities	1,247.0	1,270.5

Unaudited reclassified statements

The consolidated **net financial position** at 30 June 2022, versus the situation at 31 December 2021, can be summarized as follows:

Net financial position (€ millions)	30/06/2022	31/12/2021	Changes
Cash and cash equivalents	85,7	113,0	(27,4)
Other current financial assets and financial receivables	1,2	0,2	1,0
Current financial assets (liabilities) from derivative instruments	0,2	(0,3)	0,5
Current financial payables	(31,6)	(36,4)	4,8
Current net financial position (net financial debt)	55,4	76,5	(21,1)
Non-current financial payables	(22,3)	(39,6)	17,3
Non-current financial assets (liabilities) from derivative instruments	0,6	0,1	0,5
Non-current net financial position (net financial debt)	(21,7)	(39,5)	17,8
Net financial position (net financial debt)	33,7	37,0	(3,3)
Liabilities from lease contracts (pursuant to IFRS 16)	(177,8)	(184,8)	7,0
Total net financial position (net financial debt)	(144,1)	(147,8)	3,7

Unaudited reclassified statements

Consolidated statement of cash flows

The consolidated statement of cash flows at 30 June 2022 can be compared with the statement of cash flows at 30 June 2021:

€ millions	30 June 2022	30 June 2021
Cash funds	113.0	87.4
Bank overdrafts	0.0	(0.6)
CASH AND CASH EQUIVALENTS OPENING BALANCE	113.0	86.8
OPERATIONS		
Profit (loss)	20.8	39.6
Amortization/depreciation	34.8	34.5
(Gains) losses and other non-monetary items	0.0	(7.8)
(Income) expense from investments	0.1	0.1
Net financial expense (income)	4.2	4.9
Dividends from equity-accounted investees	0.0	0.0
Income tax	6.2	6.2
(Increase) decrease in employee benefits and provisions for risks and charges	(5.3)	(4.7)
Cash flow from operations before changes in working capital	60.8	72.8
(Increase) decrease in trade and other receivables	(2.6)	7.4
Increase (decrease) in payables to suppliers and other liabilities	19.0	(7.1)
(Increase) decrease in inventory	(10.8)	1.1
CASH FLOW FROM OPERATIONS	66.3	74.2
Income tax received (paid)	(0.4)	(0.2)
Net financial expense paid	(4.4)	(4.6)
CASH FLOW FROM OPERATIONS (A)	61.6	69.5
INVESTING ACTIVITIES		
Net (acquisition) disposal of PPE and intangible assets	(13.8)	(11.2)
Acquisition of investments	(3.0)	(1.5)
Proceeds from the disposal of investments	0.5	6.7
Proceeds from the sale of property, plant and equipment and intangible	0.0	1.5
Net decrease (increase) in other non-current assets	0.0	(2.1)
CASH FLOW FROM INVESTING ACTIVITIES (B)	(16.3)	(6.6)
FINANCING ACTIVITIES		
Dividends paid	(36.7)	(11.6)
Net change in financial payables and other financial assets	(22.6)	(22.0)
Net change in lease liabilities	(13.4)	(13.2)
Increase (decrease) in non-controlling interests' share capital and reserves	0.0	0.3
Other changes in equity	0.0	(0.4)
CASH FLOW FROM FINANCING ACTIVITIES (C)	(72.6)	(46.9)
CASH FLOW FOR THE PERIOD (A)+(B)+(C)	(27.4)	15.9
CASH AND CASH EQUIVALENTS CLOSING BALANCE	85.6	102.7
CASH AND CASH EQUIVALENTS		
Cash funds	85.7	104.5
Bank overdrafts	(0.1)	(1.8)
	85.6	102.7

Segment reporting at 30 June 2022

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

2022	Magazine publishing Cairo	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	37,5	190,9	55,8	463,8	(168,0)	580,1
Advertising agency discounts	-	(24,6)	-	(18,1)	12,6	(30,1)
Net operating revenue	37,5	166,3	55,8	445,7	(155,4)	550,0
Change in inventory	0,0	-	-	2,3	-	2,4
Other revenue and income	3,4	3,1	1,4	13,1	(2,4)	18,5
Total revenue	40,8	169,5	57,2	461,1	(157,8)	570,9
Production costs	(30,5)	(155,4)	(35,0)	(266,1)	157,8	(329,3)
Personnel expense	(8,6)	(12,4)	(19,3)	(121,1)	(0,0)	(161,4)
Non-recurring income (expense)	-	-	-	(11,3)	-	(11,3)
EBITDA	1,8	1,6	2,9	62,7	(0,1)	69,0
Amortization, depreciation, provisions and write-downs	(1,0)	(1,0)	(7,8)	(27,8)	(0,0)	(37,6)
EBIT	0,7	0,6	(4,9)	35,0	(0,1)	31,3
Other gains (losses) from financial assets/liabilities	-	-	-	(0,0)	-	(0,0)
Net financial income	(0,0)	(0,1)	(0,2)	(3,8)	(0,0)	(4,2)
Profit (loss) before tax	0,7	0,4	(5,1)	31,1	(0,1)	27,1
Income tax	0,2	(0,5)	1,5	(7,4)	0,0	(6,2)
Non-controlling interests	-	-	-	(9,6)	0,0	(9,5)
Profit (loss) for the period attributable to the owners of the parent	0,9	(0,1)	(3,6)	14,1	(0,1)	11,3

Unaudited reclassified statements

2021	Magazine publishing Cairo	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	40,7	196,8	56,4	439,4	(169,3)	564,0
Advertising agency discounts	-	(25,4)	-	(17,6)	12,3	(30,8)
Net operating revenue	40,7	171,3	56,4	421,8	(157,0)	533,2
Change in inventory	(0,0)	-	-	1,0	-	1,0
Other revenue and income	2,2	1,5	1,9	16,0	(2,3)	19,4
Total revenue	42,9	172,8	58,3	438,8	(159,3)	553,5
Production costs	(30,4)	(159,5)	(32,6)	(243,1)	159,4	(306,1)
Personnel expense	(8,9)	(12,5)	(19,4)	(125,7)	(0,0)	(166,4)
Non-recurring income (expense)	-	-	-	(0,3)	-	(0,3)
EBITDA	3,7	0,9	6,3	69,8	0,0	80,7
Amortization, depreciation, provisions and write-downs	(0,9)	(0,8)	(8,4)	(26,7)	(0,0)	(36,8)
EBIT	2,8	0,1	(2,1)	43,0	0,0	43,9
Other gains (losses) from financial assets/liabilities	-	-	-	6,9	-	6,9
Net financial income	(0,0)	(0,2)	(0,0)	(4,7)	0,0	(4,9)
Profit (loss) before tax	2,8	(0,1)	(2,1)	45,3	0,0	45,9
Income tax	0,9	(0,2)	0,7	(7,7)	(0,0)	(6,2)
Non-controlling interests	-	-	-	(15,1)	(0,0)	(15,1)
Profit (loss) for the period attributable to the owners of the parent	3,6	(0,3)	(1,4)	22,5	0,0	24,5

Unaudited reclassified statements

Details of consolidated revenue at 30 June 2022

Gross operating revenue in first half 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	Total
(€ millions)						
TV advertising	-	73.8	50.2	0.0	(51.0)	73.1
Advertising on print media, Internet and sporting events	4.3	115.0	1.1	193.2	(110.2)	203.4
Other TV revenue	-	-	0.8	1.4	(0.1)	2.0
Magazine over-the-counter sales and subscriptions	33.7	-	-	179.4	(1.2)	211.9
VAT relating to publications	(0.5)	-	-	(0.8)	-	(1.3)
Sundry revenue	-	2.1	3.8	90.6	(5.5)	90.9
Total gross operating revenue	37.5	190.9	55.8	463.8	(168.0)	580.1
Other revenue	3.4	3.1	1.4	13.1	(2.4)	18.5
Total gross revenue	40.8	194.1	57.2	476.9	(170.4)	598.6

2021	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
TV advertising	-	80.8	54.9	0.1	(55.0)	80.9
Advertising on print media, Internet and sporting events	4.3	115.0	0.6	181.6	(108.9)	192.7
Other TV revenue	-	-	0.8	1.4	(0.1)	2.0
Magazine over-the-counter sales and subscriptions	36.9	-	-	181.9	(1.2)	217.6
VAT relating to publications	(0.5)	-	-	(1.6)	-	(2.1)
Sundry revenue	-	1.0	0.0	75.9	(4.1)	72.8
Total gross operating revenue	40.7	196.8	56.4	439.4	(169.3)	564.0
Other revenue	2.2	1.5	1.9	16.0	(2.3)	19.4
Total gross revenue	42.9	198.3	58.3	455.5	(174.6)	583.3

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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