GRUPPO MONDADORI

PRESS RELEASE

BoD APPROVES RESULTS AT 31 DECEMBER 2021

The results achieved in the year beat expectations:

- **Net revenue € 807.3 million: +8.5% versus 2020;**
- **Adjusted EBITDA € 105.7 million, improving by € 7.7 million versus 2020; 13.1% margin;**
- **Group net profit € 44.2 million versus € 4.5 million in 2020;**
- **Cash flow from ordinary operations € 68.2 million versus € 51.2 million in 2020;**
- **Free cash flow € 52.1 million versus € 40.7 million in 2020;**
- **Net financial position before IFRS 16 at a positive € 37.4 million, net of the effects of the acquisition of D Scuola, including the effects of which the NFP stands at € -94.8 million versus € -14.8 million at 31.12.2020**

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2022 OUTLOOK

- **Revenue expected to grow mid-single digit;**
- **Adjusted EBITDA expected to increase by more than 20%;**
- **Net profit expected to rise double-digit;**
- **Cash flow from ordinary operations expected in line with 2021;**
- **NFP IFRS 16 less than 1.1x adjusted EBITDA.**

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DIVIDEND DISTRIBUTION PROPOSAL OF € 0.085 PER ORDINARY SHARE

Segrate, 16 March 2022 - Today, the meeting of the Board of Directors of Arnoldo Mondadori Editore S.p.A., chaired by Marina Berlusconi, reviewed and approved the draft Parent Company and Group consolidated financial statements at 31 December 2021 presented by CEO Antonio Porro.

2021 HIGHLIGHTS

In 2021, the Group was able to open a **new chapter in its growth path**, while achieving a **stronger operating and financial standing**.
As proof of its **ability to pursue development opportunities**, in 2021 Mondadori completed the **acquisition of D Scuola** - together with Rizzoli Libri the biggest investment in the last 15 years -, which has enabled the Group to gain a leadership position also in the school textbook publishing market and to give substance to its **strategy of increasing focus on the core business of books**.
This **strategic approach** also includes further transactions announced during the year: the acquisition of 50% of A.L.I. - Agenzia Libraria International - and DeA Planeta Libri, as well as a further reduction in the exposure to print magazines.

"In 2021 the soundness of our choices rewarded the Mondadori Group with consolidated results above guidance, even though already revised upwards during the year", pointed out **Antonio Porro, Chief Executive Officer of the Mondadori Group. "**The buoyant trend of the relevant markets has in fact allowed us to seize an important growth opportunity and, together with greater operating efficiency, has led to a strong increase in both profitability and cash generation. This has brought us the best net result of the last 10 years and a net financial position that has returned to positive again after more than 15 years.

The favourable economic backdrop and the financial strength of our Group have therefore paved the way for a return, after 10 years, to a shareholder remuneration policy", concludes Porro.

PERFORMANCE AT 31 DECEMBER 2021

In 2021, **consolidated revenue** amounted to € **807.3 million**, **up by 8.5%** versus € 744 million in the prior year, driven by the **positive trend that permeated all areas of business, the Books** and **Retail** areas specifically, which benefited in particular from the buoyancy of the Books market.

Adjusted EBITDA in 2021 came to € **105.7 million, up by** € **7.7 million** versus 2020 (€ 98.1 million); **this performance** reflects, on the one hand, **the positive trend in revenue recorded by all business areas** and, on the other, **the ongoing efforts to curb operating and structural costs implemented by Management**.
The **reduction** versus 2020 **in the ratio of fixed costs** (overheads and payrolls) **on consolidated revenue** enabled the Group to **confirm its margins to over 13%**: net of the relief received to aid museum activities in both years, the Group's margin would have **increased to 12.7%** from 12.1%.

EBITDA, amounting to € **91.1 million** versus € 84.6 million in 2020, **improved by € 6.5 million**, despite higher non-recurring expense of € 1.1 million, attributable mainly to restructuring costs recognized in the Media and Corporate & Shared Services areas.

In 2021, **EBIT** amounted to € **45.2 million**, **improving strongly** - **by over** € **30 million** - versus 2020, thanks to the mentioned operating dynamics, but mostly to the presence in the result at 31 December 2020, of higher write-downs for a total of approximately € 22 million.

Consolidated profit before tax came to € **38.6 million** versus € 1.6 million in 2020.
On top of that, the following items also contributed to the significant improvement of approximately € 37 million:

- the reduction of approximately € 1.6 million in financial expense, due mainly to lower average debt and a lower average interest rate as a result of the renegotiation of the lines of credit completed in May 2021, as well as the recognition of certain impairments of receivables at 31 December 2020;
- the strong improvement in the results of associates (consolidated at equity).

The **Group's net profit**, after minority interests, came to € **44.2 million**, a **sharp increase of approximately** € **40 million** versus € **4.5** million recorded in 2020.

Despite the sharp increase in taxable income, **tax components** for the year close at a **positive** € 5.6 million: this is attributable to **net non-recurring tax income** - deriving from the process of realigning the tax amounts of trademarks and goodwill to their respective statutory amounts - of **approximately** € **19 million**.

The Mondadori Group's **net financial position** (before IFRS 16) at 31 December 2021, before outlays for the acquisition of D Scuola, after more than 15 years has returned to **positive territory** and is equal to € **37.4 million**, a strong **improvement - by over** € **50 million** - versus € **-14.8 million** at 31 December 2020.

Considering the effects of the extraordinary transaction - completed on 16 December 2021 - and the equity and financial consolidation of the acquiree, the Group's net financial position (before IFRS 16) stood at € -94.8 million, beating expectations that had estimated net financial debt at year end at approximately € 100 million.
IFRS 16 NFP stood at € **-179.1 million** (IFRS16 impact € -84.3 million) versus € -97.6 million at 31 December 2020.

At 31 December 2021, the **cash flow from operations** for the last twelve months came to a **positive** € **79.3 million**; the **cash flow from ordinary operations** (after outlays for financial expense and tax), equal to € **68.2 million (+33.3% versus 2020**), allows the Group to continue on the path of

strengthening its financial structure, confirming the **business's continued and growing ability to generate cash**.
The **total free cash flow** generated by the Mondadori Group in 2021 exceeded € **52 million, up by 28%** versus € 40.7 million in 2020.

At 31 December 2021, Group employees[1] amounted to **1,810 units**, down by approximately **-2%** versus 1,847 units at December 2020, despite the increase in the workforce following the acquisition of Hej! (net of which **the reduction would be -2.5%**); this decrease is the result of continued efforts to increase the efficiency of the individual business areas.

BUSINESS OUTLOOK

The positive results, the good business outlook and the further **improvement in operating performance and cash generation capacity**, paint a picture of a very solid Group, allowing it to **look forward with greater confidence** to the results achievable in the new year, despite the recent challenges posed by the increase in energy prices and the purchase of raw materials, paper first and foremost.

From a strategic point of view, the Company will continue to **strengthen** its **core business** and therefore its **leadership** in the **Books** area, increasing its relevance and impact on the overall business.

This path will see the Mondadori Group both expand horizontally through entry into new segments of book publishing, including contiguous areas, and continue and consolidate the process of vertical integration launched through the recent acquisitions in the field of book promotion and distribution.

The Group will concurrently continue to **develop** its **digital** skills and range of products, and to rationalize its non-strategic activities.

From an operating point of view, the Group's business-financial targets that follow refer to a scope that includes the transactions concluded in 2021, therefore the consolidation of D Scuola[2] and the deconsolidation of the activities referring to the titles sold; these forecasts, instead, do not include any negative impact from the current context of geo-political instability, and are based on the absence of significant changes in the developments of the health emergency and resulting further discontinuities and slowdowns in economic activities and consumption at a global level.

- **Income Statement**

Against this backdrop, reasonable estimates point to a **mid-single digit increase in revenue** in 2022 and **adjusted EBITDA up by more than 20%**.
On a like-for-like basis, these estimates would translate into a top-line and low single-digit margin growth, confirming the ongoing cost containment actions aimed also at offsetting in 2022 the negative impact of the increase in costs relating to raw materials and energy consumption.

Net profit in 2022 is expected to **grow double-digit**, despite the absence of the significant tax component[3], amounting to approximately € 19 million, which had benefited net profit in 2021, thanks also to non-recurring expense much lower than the figure recorded in 2021.

- **Cash Flow and Net Financial Position**

In 2022, the Group is expected to **confirm the significant cash generation capacity** shown in recent years:

[1] The workforce at 31 December 2021 does not include D Scuola's headcount, but does include employees from the two titles, the sale of which became effective on 1 January 2022.
[2] Excluded are the transactions that were under Antitrust scrutiny at 31 December 2021 (acquisition of 50% of A.L.I. and 50% of DeA Planeta, sale of 51% of Press-di).
[3] Derived from the tax realignment of intangible assets.

- **Cash Flow from ordinary operations** is reasonably expected to be basically **in line with the 2021 figure** due, on the one hand, to the positive contribution of D Scuola, and, on the other, to a "one-off" increase in the Group's capital expenditure deriving:
  - in the school segment, from a stronger and richer product range and publishing catalogue;
  - in the Retail area, from the project on the renovation of the flagship store in Piazza Duomo, Milan, which will see the light in the second half of the year;
- this points to an estimate of a Free Cash Flow for 2022 - before payout of the dividend but net of the forecasts on cash outflows from the extraordinary transactions announced - in the region of € 40/45 million and a Group net debt (IFRS16) of less than 1.1x Adjusted EBITDA (0.6x before IFRS16).

The financial solidity reached allows the Group to continue its path of virtuous development, especially in the book business, also through M&As: therefore, the Group will continue, also in the current year, to pursue further **growth opportunities through acquisitions**, in a resolute and active way.

After more than 10 years, the Group has seen a return to solid conditions for a **renewed shareholder remuneration policy** with the intent - for the next three years - of distributing **40% of Cash Flow from Ordinary Operations per year**, maintaining a minimum floor equal to the Dividend Per Share of 2021. During this period, the Board of Directors, when proposing the distribution to the Shareholders' Meeting, will in any case take account of the general macroeconomic scenario, any business plans and investment requirements, as well as the expected cash flows that will affect the Group's equity and financial structure.

PERFORMANCE OF BUSINESS AREAS

- ***BOOKS***

2021 showed a **book market growth** of **14.7%**[4] versus 2020 and **18.5%** versus 2019, a year still unscathed by the distorting effects of the pandemic.

The Group was able to benefit from this market buoyancy: the **Trade** Books area saw an **increase** in **sell-out** in terms of value of approximately **10%** versus 2020, and was once again able to retain its **leadership** at national level, with a **market share** of **23.7%**[5], also confirmed by the presence of **5 titles in the list of the 10 bestselling books of the year**.

In the **school textbooks** segment, the Group achieved a steady adoption market share **(22.1%**[6]), proof of the excellent results achieved and the quality of the editorial offering of the Mondadori Education and Rizzoli Education publishing houses. Including the acquisition of **D Scuola**, the pro forma 2021 market share would stand at **32.9%**, giving the Group a **leadership position** also in the school textbooks publishing market.

In 2021, **revenue** from the **Books** area amounted to € **465 million**, **up** by approximately **10%** versus € 422.9 million in the prior year, broken down as follows:

- **+10.6% in the Trade area**, which published 2,495 titles in the period (versus 2,193 in 2020), returning production to pre-pandemic levels.
- **+9.4% in the Educational segment**, which benefited from increased revenue from both the **school textbooks** segment **(+4.2%)** and **Rizzoli International Publications (+24.1%)**.
- **+5.2%** in the **distribution of third-party publishers**.

Adjusted EBITDA in the Books area came to € **92.6 million** in 2021, **improving by approximately** € **5 million** versus € 87.5 million in 2020, thanks to the strong revenue growth that more than offset the lower relief paid to Electa (approximately € 5 million) in the museum segment versus the prior year.

[4] GfK, December 2021 (figures in terms of market value; 52-week survey in 2021 vs. 53 weeks in 2020)
[5] GfK, December 2021 (figures in terms of market value)
[6] ESAIE, 2021 (number of adopted sections)

Profitability achieved by the Books area in 2021 was **approximately 20%**.

- ***RETAIL***

As mentioned earlier, the books market grew by 14.7%[7] in 2021 versus 2020, driven mainly by the physical channel. Against this backdrop, **Mondadori Retail's market share** stood at **11.4%**, propelled by the outstanding performance of the physical network of directly-managed stores and franchises.

The **2021 income statement figures show a strong growth in revenue and margins in the area**, thanks to the renewal and development process launched in recent years, which improved operating and management performance.

Revenue amounted to € **173.9 million**, **up by** € **20.2 million (+13.1%)** versus € 153.7 million in the prior year, as a result of the **positive performance** of the **book product (+16.7%)**, which now accounts for **more than 80%** of revenue[8] in the area. Specifically:

- **directly-managed stores saw a strong recovery in revenue** (**+20.2%** versus the prior year), thanks to the strategy of focusing on the core business of books and the abovementioned network development and maintenance activities;
- the **franchised channel**, composed mainly of proximity stores located in small towns, **continued its progression**, increasing by +**20.9%** versus the prior year;
- revenue from the **Bookclub returned to growth (+5.3%)**, while revenue from the online channel settled at € 15.6 million, down versus the prior year but **improving by approximately 12% versus 2019**.

In 2021, the area recorded significant growth in **adjusted EBITDA**, which stood at € **5.1 million** (€ **+3.9 million** versus 2020 and up also versus 2019).

This improvement is attributable to the strong **ongoing renewal and development** of the network of physical stores, to **careful cost management and a thorough review of the organization and processes**, as well as the constant **work on product innovation and enrichment of the editorial offer**, accompanied by new services and communication formats for customers and partners.
The structural actions adopted over the past few years have brought a **strong turnaround in the** company's **operating and financial performance**, with results that are on the rise also versus 2019.

- ***MEDIA***

The Media area reported revenue of € **206.6 million** in 2021, **up by 4.5%** versus € 197.6 million in the prior year.
Specifically:

- **circulation** revenue was down by 7.1%, showing a performance in line with the relevant market, with a market share of **24.1%, steady versus 2020** (approximately 20% net of the two titles sold at end 2021) [21];
- revenue from **add-on products** was down by 15.8% versus 2020, hit by the negative impact of the lower availability of DVD titles due to the absence of significant film releases caused by the ongoing pandemic;
- **advertising** revenue **grew** by approximately **27%** overall (+15% excluding the contribution of the acquisition of Hej!):
  - **digital activities grew by 40%**, thanks also to the contribution of AdKaora and the consolidation of Hej! (+18% excluding this acquisition);
  - advertising sales on **print** magazines **rose by** approximately **10%**, thanks also to the rebound in advertising investments.

  Mention should be made that the percentage of **digital** revenue on total advertising revenue is over **62%** (from 57% in 2020), confirming **Mondadori Media's leadership position in digital**

[7] GFK (in terms of value)
[8] Product revenue excluding Club revenue

and social media and the decreasing dependence of the business unit's revenue on print advertising sales.

- Other revenue, which includes revenue deriving from distribution activities, posted a **10%** increase versus the prior year, reflecting growth in the distribution activities of third-party publishers in the newsstand channel.

Adjusted EBITDA in the Media area amounted to € **12.4 million**, **up by more than 50%** versus 2020 (€ 7.9 million), and also higher than the € 11.3 million recorded in 2019, driven by the **development of digital activities** and, in the print area, the recovery of advertising sales and the **continued measures to contain operating costs**, which brought an increase in profitability: in fact, the overall **EBITDA margin improved by two percentage points,** rising from 4% in 2020 **to approximately 6%**. Specifically, **digital activities**, including Hej!, contributed approximately € 10 million to the overall result, also as a result of a **percentage margin of over 20%**.

PERFORMANCE OF ARNOLDO MONDADORI EDITORE S.P.A.

The Parent Company's income statement for the year ended 31 December 2021 shows the same profit as the consolidated financial statements, amounting to € **44.2 million** (**€ 4.5 million in 2020**), due to the adoption of the equity method to measure the Company's investments in the separate financial statements.

Revenue, amounting to € **41.1 million**, was down by approximately € 4 million versus the prior year, due primarily to a changed scope of the costs of the central units charged back to subsidiaries.

Adjusted EBITDA deteriorated from € -0.9 million to € **-5.4 million,** attributable mainly to the abovementioned reduction in chargebacks to subsidiaries.
2021 includes negative non-ordinary items totaling € 6 million, attributable mainly to provisions for restructuring costs.
Amortization and depreciation in 2021, amounting to € 9.5 million, was basically steady versus 2020 (€ 9.9 million).
2021 includes lower net financial expense for a total of € 0.7 million.

The positive contribution from the equity measurement of investments amounted to € 65.3 million, a **sharp increase** versus € 13.2 million in the prior year, due mainly to the write-back of the subsidiaries Mondadori Libri S.p.A. and Mondadori Media S.p.A..

The Parent Company’s **net profit**, amounting to € **44.2 million** (versus € 4.5 million in 2020), benefited from the tax income of € 3.2 million recognized in 2021 (€ 8.6 million in 2020 following recognition of the "Patent box" relief for € 5.2 million).

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DIVIDEND DISTRIBUTION PROPOSAL OF € 0.085 PER ORDINARY SHARE

As repeatedly mentioned, the favourable economic backdrop and the financial solidity achieved by the Group have paved the way for a return to a shareholder remuneration policy: based on the results of 2021, the Board of Directors has proposed to the next Shareholders' Meeting, convened on 28 April 2022, the distribution of a **unit dividend** of € **0.085 for each ordinary share** (net of treasury shares) outstanding at the record date, for a total of approximately € 22.1 million[9], equal to a pay-out of 50% of the consolidated net profit and a dividend yield of 4.2% (at 31 December 2021).
The dividend will be paid, in accordance with the provisions of the "Regulation of the markets organized and managed by Borsa Italiana S.p.A.", from 25 May 2022 (payment date), with ex-coupon (no. 21) date on 23 May 2022 (ex date) and with the date of entitlement to payment of the dividend, pursuant to Article 83-terdecies of the TUF (record date), on 24 May 2022.

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[9] Rough estimate based on the number of shares outstanding at the date of this Report.

SIGNIFICANT EVENTS AFTER YEAR-END 2021

On **25 February 2022,** the Mondadori Group announced that it had received notice from the Antitrust Authority of the authorization to acquire from De Agostini Editore S.p.A. a 50% stake in the share capital of DeA Planeta Libri S.r.l..

The Authority's go-ahead triggered the fulfilment of the suspensive condition of the agreement on the sale of the stake; the sale will therefore be fully implemented on the closing date, scheduled by March, as from which the company will be known as De Agostini Libri S.r.l..

On **7 March 2022,** the Mondadori Group announced that it had received notice from the Antitrust Authority of the authorization to acquire a 50% stake in A.L.I. S.r.l. - Agenzia Libraria International, specialized in the distribution of books.

Following authorization from the above Authority, the transaction will be fully implemented on the closing date, which is scheduled to take place by April.

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PROPOSED RENEWAL OF THE AUTHORIZATION TO PURCHASE AND DISPOSE OF TREASURY SHARES

Following expiry of the previous authorization resolved upon by the Shareholders' Meeting on 27 April 2021, with the approval of the financial statements at 31 December 2021, the Board of Directors will propose to the next Shareholders' Meeting the renewal of the authorization to purchase and dispose of treasury shares with the aim of retaining the applicability of law provisions in the matter of any additional buyback plans and, consequently, of seizing any investment and operational opportunities involving treasury shares.

Below are the key elements of the Board of Directors' proposal:

- **Motivations**

The motivations underlying the request for the authorization to purchase and sell treasury shares refer to the opportunity to attribute to the Board of Directors the power to:

- use the Treasury Shares purchased or already in the Company portfolio as compensation for the acquisition of interests within the framework of the Company's investments;
- use the treasury shares purchased or already held in portfolio against the exercise of option rights, including conversion rights, deriving from financial instruments issued by the Company, its subsidiaries or third parties and to use the treasury shares for lending, exchange or transfer transactions or to support extraordinary transactions on the Company's capital or financing transactions that imply the transfer or sale of treasury shares;
- undertake any investments, directly or through intermediaries, including for the purpose of containing abnormal movements in share prices, stabilizing share trading and prices, supporting the liquidity of the share on the market, in order to foster the regular conduct of trading beyond normal fluctuations related to market performance, without prejudice in any case to compliance with applicable statutory provisions;
- rely on investment or divestment opportunities, if considered strategic by the Board of Directors, also in relation to available liquidity;
- dispose of treasury shares to service share-based incentive plans set up pursuant to Article 114-bis of the TUF, and plans for the free allocation of shares to employees or members of the governing bodies of the Company or to Shareholders.

- **Duration**

The authorization to purchase treasury shares runs from the date of any resolution approving the proposal by the Shareholders' Meeting, until the Shareholders' Meeting called to approve the financial statements at 31 December 2022 and, in any case, for a period no more than 18 months.

The authorization to dispose of treasury shares is requested for an unlimited period, given the absence of time limits pursuant to current regulations and the opportunity to allow the Board of Directors to make use of the maximum flexibility, also in terms of time, to carry out any disposal of shares.

- **Maximum number of purchasable treasury shares**

The authorization would allow the purchase, including in more than one tranche, of ordinary shares of Arnoldo Mondadori Editore S.p.A., with a par value of € 0.26 each, in one or more tranches in an amount freely determinable by the Board of Directors - up to a maximum number of shares - also taking into account of the ordinary shares held, directly and indirectly, in the portfolio from time to time - of no more than 10% overall of the share capital, in accordance with Article 2357, paragraph 3, of the Italian Civil Code.

- **Criteria for purchasing treasury shares and indication of the minimum and maximum purchasing cap**

Purchases shall be made in compliance with Article 132 of the TUF, 144-bis, paragraph 1 letter b) of the Issuer Regulation, and on regulated markets or multilateral trading systems, according to the operating criteria established in the organization and management regulations of the same markets, which do not allow the direct matching of buy orders against predetermined sell orders, and also in compliance with any other applicable law, including EU law. Additionally, share purchase transactions may also be carried out in the manner envisaged in Article 3 of EU Delegated Regulation no. 2016/1052 in order to benefit, if the conditions are met, from the exemption under Article 5, paragraph 1, of EU Regulation no. 596/2014 on market abuse with regard to inside information and market manipulation.
Regarding the disposal of treasury shares, disposals may be made, on one or more occasions and even before having terminated the maximum number of purchasable treasury shares, either by selling them on regulated markets or according to other trading methods in compliance with the law, including EU law, in force and with the Admitted Market Practices, if applicable.

Under the proposed authorization, the minimum and maximum purchase price shall be determined at a unit price not lower than the official Stock Exchange price of Mondadori shares on the day preceding the purchase transaction, reduced by 20%, and not higher than the official Stock Exchange price on the day preceding the purchase transaction, increased by 10%.
In any event - except for any different price and volume determinations resulting from the application of the conditions set forth in the Admitted Market Practices - such price shall be identified in accordance with the trading conditions set forth in Delegated Regulation (EU) no. 1052 of 8 March 2016.

In terms of consideration, sales transactions or other acts of disposition of treasury shares shall be carried out:

- if executed in cash, at a price no lower than 10% of the reference price recorded on the MTA - Euronext Milan - organized and managed by Borsa Italiana S.p.A. in the trading session prior to each single transaction;
- if executed as part of any extraordinary transactions in accordance with financial terms to be determined by the Board of Directors on the basis of the nature and characteristics of the transaction, also taking account of the market performance of Mondadori shares;
- if executed to service the Performance Share Plans adopted by the Company in compliance with the terms and conditions set out in the resolutions of the Shareholders' Meeting that establish the Plans and the related regulations.

To date, Arnoldo Mondadori Editore S.p.A. holds a **total of no. 1,049,838 treasury shares**, equal to 0.402% of the share capital.

For further information on the proposed authorization for the purchase and disposal of treasury shares, reference should be made to the Directors’ Explanatory Report, which will be published within the time limits and in the manner prescribed by applicable regulations.

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GRANTING OF SHARES UNDER THE 2019-2021 PERFORMANCE SHARE PLAN: INFORMATION PURSUANT TO ART. 84-BIS, PARAGRAPH 5 CONSOB REGULATION NO. 11971/1999

The Board of Directors, based on the final assessment of the Performance Targets underlying the Plan, and having heard the Remuneration and Appointments Committee, resolved to allocate a total of no. 311,848 Arnoldo Mondadori Editore S.p.A. shares to 8 beneficiaries, in implementation of the provisions

contained in the "2019-2021 Performance Share Plan" established by the Board of Directors on 14 March 2019 and subsequently adopted by the Shareholders' Meeting on 17 April 2019 (the "2019-2021 Plan").
Mention should be made that the 2019-2021 Plan takes the form of a share granting plan and grants its beneficiaries the right to receive, free of charge, shares in the Company provided that, at the end of a reference period of three financial years, the performance targets set in the same Plan have been achieved.
The 8 beneficiaries of the 2019-2021 Plan are the Chief Executive Officer and 7 managers identified by name by the Chief Executive Officer, as delegated by the Board of Directors.
The characteristics of the 2019-2021 Plan are explained in detail in the Directors' Report to the Shareholders' Meeting of 17 April 2019 and in the information document contained therein, available on www.gruppomondadori.it, Governance section, to which reference should be made.
Attached is the information required by Schedule 7 of Annex 3A to CONSOB Regulation no. 11971/1999 to account for the granting of shares in the context of the 2019-2021 Performance Plan.

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PROPOSED ADOPTION OF A 2022-2024 PERFORMANCE SHARE PLAN

The Board resolved, on a proposal from the Remuneration and Appointments Committee, and in keeping with the introduction of the performance share approved last year for the medium/long-term remuneration of executive directors and key management personnel, to submit to the approval of the Ordinary Shareholders' Meeting, the adoption of a 2022-2024 Performance Share Plan, in accordance with Article 114-bis of Legislative Decree no. 58 of 24 February 1998, intended for the Chief Executive Officer, the CFO - Executive Director and a number of Company managers who have an employment and/or directorship relationship with the Company or with its subsidiaries on the granting date of the shares.

With the adoption of the Plan, the Company aims to encourage Management to improve medium to long-term performance, in terms of both industrial performance and growth in the value of the Company.
The Plan envisages the assignment to the beneficiaries of rights to the free allocation of company shares, subject to the achievement of specific performance targets set and measured at the end of the three-year performance period.
These targets are structured to include both shareholder remuneration indicators and management indicators functional to raising the share value, ensuring maximum alignment of Management remuneration and the creation of value for the Company, as well as indicators of a non-operating/financial nature.
For details on the proposed adoption of the 2022-2024 Performance Share Plan, the beneficiaries and the main characteristics of the Regulations of the Plan, reference should be made to the Information Document drawn up by the governing body, pursuant to Article 84-bis and annex 3A of the Issuer Regulation, and to the Explanatory Report, which will be published within the time limits and in the manner prescribed by applicable regulations.

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CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO LEGISLATIVE DECREE 254/2016

Under Legislative Decree 254/2016, the Board of Directors' 2021 Report on Operations of the Mondadori Group is also composed of the Consolidated Non-Financial Statement (NFS), a qualitative-quantitative description of the non-financial performance of the Company, associated with environmental, social, and staff-related issues, as well as those regarding respect for human rights, and the fight against corruption and bribery, which are relevant given the activities and characteristics of the Company. The NFS was prepared in accordance with GRI Standards: Core option, and includes benchmark KPIs related to GRI G4 "Media Sector Disclosure".
With regard to 2021, the Mondadori Group has updated its materiality analysis, consistent with the principles set out by the GRI Sustainability Reporting Standards (GRI Standards) and the reporting scopes laid down by Legislative Decree 254/2016.
With a view to continuous improvement of the process, in 2021 the stakeholder engagement activity was expanded by involving employees and teachers, who were given a specific online questionnaire on sustainability issues.

The document also contains relevant information in line with ESMA's recommendations for the 2021 reporting year, and includes references required by Regulation (EU) 2020/852 related to the recent introduction of the EU Taxonomy.

The findings from the reporting include a number of tangible actions regarding social, governance and environmental issues. These include: the creation of the position of Chief Diversity Officer for the implementation of strategies and projects aimed at promoting diversity, equity and inclusion; in keeping with the measures adopted to combat the spread of COVID-19, the possibility offered to employees and associates to carry out and repeat diagnostic screenings free of charge; access, as part of the New Competencies Fund (NCF), to a training and professional development path intended as a strategic lever to encourage and strengthen internal skills and competencies and the attraction of young talents.
During the year no cases of corruption or bribery involving the Company or its employees were reported, and no legal action was initiated or concluded against the Group or its employees for cases of corruption or reports made within the whistleblowing system.
In 2021, the Mondadori Group once again paid special attention to environmental issues and the specific impacts associated with the life cycle of paper products, energy efficiency measures and the reduction of climate-changing emissions: an approach that guides the Company in the implementation of its business activities, from the purchase of certified paper to the efficient management of points of sale. As for the sourcing of raw materials for the printing of publishing products, the Group opts for the use of paper certified under the two main schemes applied worldwide, PEFC and FSC, whose percentage reached 99.9% of the total during the year.

SUSTAINABILITY PLAN GUIDELINES
The Mondadori Group has launched its first-ever Sustainability Plan, which identifies short, medium and long-term targets and actions to improve performance in social, governance and environmental terms.
The reflection process led to the identification of the areas and strategic lines of sustainability on which the Group intends to work in the future through the achievement of targets set on an annual basis and periodically updated.
The 3 relevant macro areas - defined below - and the respective guidelines identified for 2022, reflect the Group's identity, its mission and its role as a publisher:

Social: enhancing people, content and places for education and culture
- To become a role model in the field of diversity, equity and inclusion, enhancing and contributing to the well-being of our people, through welfare tools and skills development.
- To promote culture and quality, equitable, and inclusive education that fosters pathways to lifelong learning.
- To create, conceive and develop valuable content and affordable, ESG-friendly products.
- To support cultural outposts for social development through the enhancement of bookstores, schools, museums, social channels, events and partnerships.

Governance: promoting sustainable business success
- To pursue sustainable business success by promoting the integration of ESG issues in governance, business plans and the operating model, also by strengthening the mechanisms for listening to stakeholders to develop paths of ongoing improvement.
- To maintain the highest standards for protecting and managing risks and opportunities along the value chain.

Environment: disseminating environmental culture and mitigating impacts on ecosystems
- To spread environmental culture, also through education aimed at an increasingly sustainable development and lifestyle.
- To mitigate environmental impacts throughout the product life cycle, by fostering the protection of biodiversity and reducing climate-changing emissions.

§

The results for the year ended 31 December 2021, approved on today's date by the Board of Directors, will be presented by the Mondadori Group Management to the financial community in a webcast presentation scheduled today at 3:30 PM.
The corresponding documentation will be available on 1Info (www.1info.it), www.borsaitaliana.it and *www.gruppomondadori.it (Investors). Journalists will be able to follow the presentation in listening mode only, by connecting to the following telephone number* **+***39028020911 and via web https://www.c-meeting.com/web3/join/M37DCPDPQUB3KL. At the end of the meeting, a dedicated session is scheduled where questions may be submitted to management.*

§

The Financial Reporting Manager - Alessandro Franzosi - hereby declares, pursuant to Article 154 bis, paragraph 2, of the Consolidated Finance Law, that the accounting information contained herein corresponds to the Company's records, books and accounting entries.

Annexes:
1. *Consolidated balance sheet;*
2. *Consolidated income statement;*
3. *Consolidated income statement - fourth quarter;*
4. *Group cash flow;*
5. *Arnoldo Mondadori Editore S.p.A. balance sheet;*
6. *Arnoldo Mondadori Editore S.p.A. income statement;*
7. *Arnoldo Mondadori Editore S.p.A. statement of cash flows;*
8. *Glossary of terms and alternative performance measures used;*
9. *Information pursuant to Schedule 7 of Annex 3a to CONSOB Regulation no. 11971/1999*

Annex 1
Consolidated balance sheet

	FINAL			
€ millions	2021		2020	% chg.
	with D Scuola	without D Scuola		
TRADE RECEIVABLES	165.0	162.5	168.1	(3.4%)
INVENTORY	120.7	114.1	111.5	2.4%
TRADE PAYABLES	223.0	207.1	212.2	(2.4%)
OTHER ASSETS (LIABILITIES)	(42.2)	(23.4)	(22.5)	n.s.
NET WORKING CAPITAL CONTINUING OPERATIONS	**20.5**	**46.0**	**44.9**	**2.5%**
DISCONTINUED OR DISCONTINUING ASSETS (LIABILITIES)	(7.6)	(7.6)	(2.3)	232.8%
NET WORKING CAPITAL	**12.9**	**38.4**	**42.6**	**(9.9%)**
INTANGIBLE ASSETS	351.8	187.4	187.3	0.1%
PROPERTY, PLANT AND EQUIPMENT	14.6	14.5	16.9	(14.1%)
INVESTMENTS	18.7	18.7	20.1	(6.7%)
NET FIXED ASSETS WITH NO RIGHTS OF USE IFRS 16	**385.2**	**220.7**	**224.3**	**(1.6%)**
ASSETS FROM RIGHTS OF USE IFRS16	80.7	78.6	80.2	(2.0%)
NET FIXED ASSETS WITH RIGHTS OF USE IFRS 16	**465.9**	**299.3**	**304.5**	**(1.7%)**
PROVISIONS FOR RISKS	47.1	45.2	45.7	(1.2%)
POST-EMPLOYMENT BENEFITS	33.1	28.3	31.5	(10.3%)
PROVISIONS	**80.1**	**73.4**	**77.2**	**(4.9%)**
NET INVESTED CAPITAL	**398.7**	**264.3**	**270.0**	**(2.1%)**
SHARE CAPITAL	68.0	68.0	68.0	0.0%
RESERVES	107.4	107.4	99.9	7.5%
PROFIT (LOSS) FOR THE PERIOD	44.2	44.2	4.5	n.s.
GROUP EQUITY	**219.6**	**219.6**	**172.4**	**27.4%**
NON-CONTROLLING INTERESTS' EQUITY	0.0	0.0	0.0	n.s.
EQUITY	**219.6**	**219.6**	**172.4**	**27.4%**
NET FINANCIAL POSITION NO IFRS 16	94.8	(37.4)	14.8	n.s.
NET FINANCIAL POSITION IFRS 16	84.3	82.1	82.8	(0.8%)
NET FINANCIAL POSITION	**179.1**	**44.7**	**97.6**	**(54.2%)**
SOURCES	**398.7**	**264.3**	**270.0**	**(2.1%)**

Annex 2
Consolidated income statement

	FINAL				
€ millions	2021		2020		% chg.
REVENUE	**807,3**		**744,0**		***8,5%***
INDUSTRIAL PRODUCT COST	246,6	*30,5%*	225,3	*30,3%*	*9,4%*
VARIABLE PRODUCT COSTS	114,0	*14,1%*	112,7	*15,1%*	*1,2%*
OTHER VARIABLE COSTS	163,3	*20,2%*	144,9	*19,5%*	*12,7%*
STRUCTURAL COSTS	50,3	*6,2%*	47,9	*6,4%*	*4,9%*
EXTENDED LABOUR COST	135,8	*16,8%*	133,1	*17,9%*	*2,0%*
OTHER EXPENSE (INCOME)	(8,3)	*(1,0%)*	(18,0)	*(2,4%)*	*n.s.*
ADJUSTED EBITDA	**105,7**	***13,1%***	**98,1**	***13,2%***	***7,8%***
RESTRUCTURING COSTS	11,2	*1,4%*	8,9	*1,2%*	*26,0%*
EXTRAORDINARY EXPENSE (INCOME)	3,4	*0,4%*	4,6	*0,6%*	*(25,7%)*
EBITDA	**91,1**	***11,3%***	**84,6**	***11,4%***	***7,7%***
AMORTIZATION AND DEPRECIATION	25,1	*3,1%*	26,8	*3,6%*	*(6,1%)*
IMPAIRMENT AND WRITE-DOWNS	7,4	*0,9%*	28,6	*3,9%*	*(74,3%)*
AMORTIZATION AND DEPRECIATION IFRS 16	13,4	*1,7%*	14,4	*1,9%*	*(6,7%)*
EBIT	**45,2**	***5,6%***	**14,8**	***2,0%***	***205,1%***
FINANCIAL EXPENSE (INCOME)	2,5	*0,3%*	4,1	*0,5%*	*(39,0%)*
FINANCIAL EXPENSE IFRS 16	2,2	*0,3%*	2,5	*0,3%*	*(11,7%)*
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION	0,4	*0,1%*	(0,6)	*(0,1%)*	*n.s.*
EXPENSE (INCOME) FROM INVESTMENTS	1,5	*0,2%*	7,3	*1,0%*	*n.s.*
EBT	**38,6**	***4,8%***	**1,6**	***0,2%***	***n.s.***
TAX EXPENSE (INCOME)	(5,6)	*(0,7%)*	(3,0)	*(0,4%)*	*n.s.*
GROUP NET RESULT	**44,2**	***5,5%***	**4,5**	***0,6%***	***n.s.***

Annex 3

Consolidated income statement - fourth quarter 2021

	FINAL				
€ millions	Q4 2021		Q4 2020		% chg.
REVENUE	**218.4**		**202.1**		**8.1%**
INDUSTRIAL PRODUCT COST	73.4	33.6%	65.8	32.5%	11.6%
VARIABLE PRODUCT COSTS	31.4	14.4%	40.3	19.9%	(22.0%)
OTHER VARIABLE COSTS	45.6	20.9%	39.5	19.5%	15.5%
STRUCTURAL COSTS	14.4	6.6%	13.3	6.6%	8.7%
EXTENDED LABOUR COST	35.7	16.4%	33.6	16.6%	6.2%
OTHER EXPENSE (INCOME)	(2.8)	(1.3%)	(17.5)	(8.6%)	n.s.
ADJUSTED EBITDA	**20.7**	**9.5%**	**27.1**	**13.4%**	**(23.6%)**
RESTRUCTURING COSTS	8.0	3.7%	6.2	3.1%	30.0%
EXTRAORDINARY EXPENSE (INCOME)	2.0	0.9%	1.4	0.7%	45.7%
EBITDA	**10.7**	**4.9%**	**19.5**	**9.7%**	**(45.5%)**
AMORTIZATION AND DEPRECIATION	6.9	3.2%	7.3	3.6%	(4.5%)
IMPAIRMENT AND WRITE-DOWNS	7.1	3.2%	22.8	11.3%	(69.0%)
AMORTIZATION AND DEPRECIATION IFRS 16	3.5	1.6%	3.6	1.8%	(3.6%)
EBIT	**(6.8)**	**(3.1%)**	**(14.1)**	**(7.0%)**	**n.s.**
FINANCIAL EXPENSE (INCOME)	0.2	0.1%	0.9	0.4%	(71.9%)
FINANCIAL EXPENSE IFRS 16	0.5	0.2%	0.6	0.3%	(10.0%)
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION	0.0	0.0%	0.3	0.1%	n.s.
EXPENSE (INCOME) FROM INVESTMENTS	(1.4)	(0.6%)	2.1	1.1%	n.s.
EBT	**(6.2)**	**(2.8%)**	**(18.0)**	**(8.9%)**	**n.s.**
TAX EXPENSE (INCOME)	(1.0)	(0.5%)	(4.5)	(2.2%)	n.s.
NET RESULT FOR THE PERIOD (GROUP AND NON-CONTROLLING INTERESTS)	**(5.2)**	**(2.4%)**	**(13.5)**	**(6.7%)**	**n.s.**
MINORITIES	0.0	0.0%	0.0	0.0%	n.s.
GROUP NET RESULT	**(5.2)**	**(2.4%)**	**(13.5)**	**(6.7%)**	**n.s.**

Annex 4
Group cash flow

€ millions	2021	2020
INITIAL NFP IFRS 16	**(97.6)**	**(151.3)**
FINANCIAL LIABILITIES APPLICATION OF IFRS 16	(82.8)	(95.9)
INITIAL NFP NO IFRS 16	**(14.8)**	**(55.4)**
ADJUSTED EBITDA (NO IFRS 16)	91.0	82.4
NWC AND PROVISIONS	10.3	1.2
CAPEX NO IFRS 16	(22.0)	(21.8)
CASH FLOW FROM OPERATIONS	**79.3**	**61.9**
FINANCIAL INCOME (EXPENSE) NO IFRS 16	(2.4)	(3.7)
TAX	(13.9)	(6.9)
CASH FLOW FROM ORDINARY OPERATIONS CONTINUING OPERATIONS	**62.9**	**51.2**
CF FROM ORDINARY OPERATIONS DISCONTINUED OR DISCONTINUING OPERATIONS	5.3	0.0
CASH FLOW FROM ORDINARY OPERATIONS	**68.2**	**51.2**
RESTRUCTURING COSTS	(6.9)	(5.2)
EXTRAORDINARY TAX	3.4	0.1
SHARE CAPITAL INCREASE/DIVIDENDS NON CONTROLLING INTERESTS AND ASSOCIATES	(0.1)	(1.1)
PURCHASE/DISPOSAL	(8.6)	(0.5)
OTHER INCOME AND EXPENDITURE	(3.8)	(3.8)
CF EXTRAORDINARY OPERATIONS DISCONTINUED OR DISCONTINUING OPERATIONS	(0.3)	0.0
CASH FLOW FROM EXTRAORDINARY OPERATIONS	**(16.1)**	**(10.5)**
FREE CASH FLOW	**52.2**	**40.7**
NET FINANCIAL POSITION NO IFRS 16	**37.5**	**(14.8)**
IFRS 16 EFFECTS IN THE PERIOD	0.7	13.0
FINAL NET FINANCIAL POSITION	**(44.5)**	**(97.6)**

Annex 5

Arnoldo Mondadori Editore S.p.A. balance sheet

€ millions	2021	2020	% chg.
TRADE RECEIVABLES	12.3	13.7	(10.5%)
INVENTORY			0.0%
TRADE PAYABLES	13.3	20.8	(36.1%)
DEFERRED TAX ASSETS (LIABILITIES)	0.1	0.7	(90.2%)
OTHER ASSETS (LIABILITIES)	(0.2)	5.9	(103.9%)
NET WORKING CAPITAL	**(1.1)**	**(0.4)**	**176.5%**
INTANGIBLE ASSETS	5.9	7.4	(21.2%)
PROPERTY, PLANT AND EQUIPMENT	3.3	5.9	(43.3%)
ASSETS FROM RIGHTS OF USE IFRS 16	42.2	47.4	(11.0%)
INVESTMENTS	536.2	363.3	47.6%
NET FIXED ASSETS	**587.6**	**424.1**	**38.6%**
PROVISIONS FOR RISKS	6.1	5.6	8.8%
POST-EMPLOYMENT BENEFITS	1.9	2.9	(33.9%)
PROVISIONS	**8.0**	**8.5**	**(5.7%)**
NET INVESTED CAPITAL	**578.5**	**415.2**	**39.3%**
SHARE CAPITAL	68.0	68.0	0.0%
RESERVES	107.4	99.9	7.5%
PROFIT (LOSS) FOR THE PERIOD	44.2	4.5	881.8%
EQUITY	**219.6**	**172.4**	**27.4%**
NET FINANCIAL POSITION NO IFRS 16	315.1	194.1	62.3%
NET FINANCIAL POSITION IFRS 16	43.8	48.6	(9.9%)
NET FINANCIAL POSITION	**358.9**	**242.7**	**47.9%**
SOURCES	**578.5**	**415.1**	**39.3%**
SUBTOTAL NWC + PROVISIONS	**(9.2)**	**(8.9)**	**2.8%**

Annex 6

Arnoldo Mondadori Editore S.p.A. income statement

€ millions	2021		2020		Chg
REVENUE	**41.1**		**45.1**		***(4.0)***
INDUSTRIAL PRODUCT COST	0.1	*0.2%*	0.0	*0.0%*	*0.1*
VARIABLE PRODUCT COSTS	0.4	*0.9%*	0.4	*0.8%*	*0.0*
STRUCTURAL COSTS	25.0	*60.9%*	25.8	*57.2%*	*(0.8)*
EXTENDED LABOUR COST	21.0	*51.2%*	20.3	*45.1%*	*0.7*
OTHER EXPENSE (INCOME)	(0.1)	*(0.2%)*	(0.5)	*(1.1%)*	*0.4*
ADJUSTED EBITDA	**(5.4)**	***(13.1%)***	**(0.9)**	***(2.0%)***	***(4.5)***
RESTRUCTURING COSTS	4.9	*11.9%*	2.3	*5.1%*	*2.6*
EXTRAORDINARY EXPENSE (INCOME)	1.1	*2.6%*	1.0	*2.3%*	*0.0*
EBITDA	**(11.4)**	***(27.7%)***	**(4.2)**	***(9.4%)***	***(7.1)***
AMORTIZATION AND DEPRECIATION	3.9	*9.4%*	4.1	*9.0%*	*(0.2)*
AMORTIZATION AND DEPRECIATION IFRS 16	5.6	*13.6%*	5.9	*13.0%*	*(0.3)*
EBIT	**(20.8)**	***(50.7%)***	**(14.2)**	***(31.4%)***	***(6.7)***
FINANCIAL EXPENSE (INCOME)	1.8	*4.3%*	2.3	*5.1%*	*(0.5)*
FINANCIAL EXPENSE IFRS 16	1.3	*3.1%*	1.4	*3.2%*	*(0.2)*
EXPENSE (INCOME) FROM SECURITIES VALUATION	0.4	*1.1%*	(0.6)	*(1.3%)*	*1.0*
EXPENSE (INCOME) FROM INVESTMENTS	(65.3)	*(159.0%)*	(13.2)	*(29.2%)*	*(52.1)*
EBT	**41.0**	***99.8%***	**(4.1)**	***(9.1%)***	***45.1***
TAX EXPENSE (INCOME)	(3.2)	*(7.8%)*	(8.6)	*(19.1%)*	*5.4*
PROFIT (LOSS) FOR THE PERIOD	**44.2**	***107.6%***	**4.5**	***10.0%***	***39.7***

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Annex 7

Arnoldo Mondadori Editore S.p.A. statement of cash flows

€ millions	31/12/2021	31/12/2020
Result for the period	44.2	4.5
Adjustments		
Amortization, depreciation and write-downs	9.5	9.9
Income tax for the period	(3.2)	(8.2)
Stock options	0.7	0.6
Provisions and post-employment benefits	0.4	(1.0)
Gains (losses) from disposal of intangible assets, property plant and equipr	(0.4)	0.0
(Income)/expense from securities valuation	0.3	(0.6)
(Income)/expense from measurement of investments at equity	(65.3)	(13.2)
Net financial expense (income) on loans, leases and derivative transactions	3.9	3.0
Other non-monetary adjustments to discontinued operations	-	-
Cash flow generated from operations	**(9.9)**	**(5.0)**
(Increase) decrease in trade receivables	1.4	(3.2)
(Increase) decrease in inventory	-	0.0
Increase (decrease) in trade payables	(7.5)	0.0
(Payment) cash in from income tax	6.0	3.4
Increase (decrease) in provisions and post-employment benefits	(0.9)	(5.4)
Net change in other assets/liabilities	3.5	(5.1)
Net change in discontinued operations	-	-
Net change in contribution	-	(66.2)
Cash flow generated from (absorbed by) operations	**(7.4)**	**(81.5)**
Price collected (paid) net of cash transferred/acquired	-	-
(Purchase) disposal of intangible assets	(1.1)	(0.9)
(Purchase) disposal of property, plant and equipment	1.7	(2.7)
(Purchase) disposal of investments	(145.0)	(39.2)
(Purchase) disposal of discontinued operations	-	-
Income from investments - dividends	39.1	120.2
(Purchase) disposal of securities	4.9	18.8
(Purchase) disposal from contribution	-	138.3
Cash flow generated from (absorbed by) investing activities	**(100.3)**	**234.4**
Increase (decrease) in payables to banks for loans	29.5	7.5
Change in other financial assets - Intercompany	19.2	(13.0)
Change in other financial liabilities - Intercompany	(42.8)	(23.2)
(Purchase) disposal of treasury shares	(1.5)	2.2
Net change in other financial assets/liabilities	75.9	13.9
Changes in equity from contribution	-	(29.4)
Cash in of net financial income (payment of net financial expense) on loans	(1.3)	(2.1)
Cash flow generated from (absorbed by) discontinued operations	-	-
(Purchase) disposal from contribution	-	(42.7)
Cash flow generated from (absorbed by) financing activities	**78.9**	**(86.8)**
Increase (decrease) in cash and cash equivalents	**(28.7)**	**66.1**
Increase (decrease) in cash from contribution	**-**	**0.0**
Cash and cash equivalents beginning of period	**101.7**	**35.6**
Cash and cash equivalents end of period	**72.9**	**101.7**

Annex 8

Glossary of terms and alternative performance measures used;

This document, in addition to the statements and conventional financial measures required by IFRS, presents a number of reclassified statements and alternative performance measures, in order to provide a better understanding of the operating and financial performance of the Group. These statements and measures should not be considered as a replacement of those required by IFRS. With regard to these figures, in accordance with the recommendations contained in CONSOB Communication no. 6064293 of 28 July 2006, and in CONSOB Communication no. 0092543 of 3 December 2015, as well as with the 2015/1415 ESMA guidelines on alternative performance measures ("Non-GAAP Measures"), explanations are given on the criteria adopted in their preparation and the relevant notes to the items appearing in the mandatory statements.
Specifically, the alternative measures used include:

Gross Operating Profit (EBITDA): net result for the period before income tax, other financial income and expense, amortization, depreciation and write-downs of fixed assets. The Group also provides information on the percentage of EBITDA on net sales. EBITDA measured by the Group allows operating results to be compared with those of other companies, net of any effects from financial and tax items, and of depreciation and amortization, which may vary from company to company for reasons unrelated to general operating performance.

Adjusted gross operating profit (adjusted EBITDA): gross operating profit as explained above, net of income and expense of a non-ordinary nature such as:
(i) income and expense from restructuring, reorganization and business combinations;
(ii) clearly identified income and expense not directly related to the ordinary course of business;
(iii) as well as any income and expense from non-ordinary events and transactions as set out in CONSOB Communication DEM6064293 of 28/07/2006.

Euro thousands	2021	2020
Gross Operating Profit - EBITDA (as shown in the financial statements)	***91,142***	***84,626***
Restructuring costs under "Cost of personnel" NOTE 34	11,218	8,901
Expense from acquisition and disposal of companies and business units, other (income) expense, NOTE 33 and NOTE 35	3,690	4,557
Loss (profit) from disposal of fixed assets and investments NOTE 35	-304	
Adjusted Gross Operating Profit - Adjusted EBITDA (as shown in the Directors' Report on Operations)	***105,746***	***98,084***

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

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

Net invested capital: the algebraic sum of Fixed Capital, which includes non-current assets and non-current liabilities (net of non-current financial liabilities included in the Net Financial Position) and Net Working Capital, which includes current assets (net of cash and cash equivalents and current financial assets included in the Net Financial Position), and current liabilities (net of current financial liabilities included in the Net Financial Position).

Cash flow from operations: adjusted EBITDA, as explained above, plus or minus the decrease/(increase) in working capital in the period, minus capital expenditure (CAPEX/Investment).

Cash flow from ordinary operations: cash flow from operations as explained above, net of financial expense, tax paid in the period, and income/expense from investments in associates.

LTM cash flow from ordinary operations: cash flow from ordinary operations in the last 12 months (Last Twelve Months).

Cash flow from non-ordinary operations: cash flow generated/used in transactions that are not considered ordinary, such as company restructuring and reorganization, share capital transactions and acquisitions/disposals.

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

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

Annex 9

Information pursuant to Schedule 7 of Annex 3a to CONSOB Regulation no. 11971/1999

Remuneration plans based on financial instruments

Name or category	**Position (to be shown only for persons appearing by name)**	**BOX 1 (financial instruments other than stock options)**						
		Section 2 Newly-assigned instruments based on the decision of the body responsible for implementing the shareholders' resolution						
		Date of shareholders' resolution	**Type of financial instruments**	**Number of financial instruments assigned by the BoD**	**Date of assignment**	**Purchase price of instruments, if applicable**	**Market price at assignment (*)**	**Vesting period**
Antonio Porro	Chief Executive Officer of Arnoldo Mondadori Editore S.p.A.	17.4.19	Shares Arnoldo Mondadori Editore S.p.A.	48,726	RC 10.3.22 BoD 16.3.22	N.S.	1.954 €	1.1.2019 – 31.12.2021
Key management personnel of Arnoldo Mondadori Editore S.p.A.	Executives	17.4.19	Shares Arnoldo Mondadori Editore S.p.A.	154,300	RC 10.3.22 BoD 16.3.22	N.S.	1.954 €	1.1.2019 – 31.12.2021
Other employees of Arnoldo Mondadori Editore S.p.A. and its subsidiaries	Executives	17.4.19	Shares Arnoldo Mondadori Editore S.p.A.	108,822	RC 10.3. 22 BoD 16.3.22	N.S.	1.954 €	1.1.2019 – 31.12.2021

(*) price on 15.3.2022

Media Relations
pressoffice@mondadori.it
+39 02 7542.3159

Investor Relations
invrel@mondadori.it
+39 02 7542.2632