FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2021

Prepared in accordance with International Financial Reporting Standards (IFRS) and translated, for reference only, from the original Italian-language document “Bilancio al 31 dicembre 2021”. As for the contents, if there are any differences or discrepancies between the original Italian-language and the English translation, the original Italian-language supersedes this English translation.

De Agostini S.p.A.

(the Company or the Parent Company)

Corporate information	De Agostini S.p.A. Registered office: Via Giovanni da Verrazano 15 28100 Novara, Italy Authorised share capital: EUR 274,394,921, of which EUR 48,252,985 subscribed and paid-up, comprising 38,944,412 ordinary shares (with no par value) and 2,558,208 class B shares (with no par value) Tax Identification Number and Novara Register of Companies no. 07178180589, a company belonging to the "B&D Holding VAT Group" - VAT no. 02611940038

Board of Directors

Chairman	Marco Drago
Vice Chairmen	Enrico Drago Nicola Drago
Chief Executive Officer	Lorenzo Pellicioli
Directors	Paolo Basilico Paolo Boroli Pietro Boroli Mario Cesari Marco Costaguta Marco Sala Paolo Tacchini

Board of Statutory Auditors

Chairman	Angelo Gaviani
Permanent Auditors	Gian Piero Balducci Roberto Spada
Deputy Auditors	Giulio Gasloli Roberto Picchio
General Manager	Paolo Ceretti
Independent Auditors	PricewaterhouseCoopers S.p.A.

Chairman's letter

Dear Shareholders,

In a global environment that has not yet returned to normal after a pandemic lasting over two years, at the start of 2022, we found ourselves witness to a war in the heart of Europe, the humanitarian drama of the Ukraine people, and the resulting economic and financial effects of this conflict: these included high inflation, the scaling back of global economic growth expectations, particularly in Europe, and the resulting increase in volatility on the financial markets.

This challenging context, coming on top of a pandemic that has not yet completely run its course, will have consequences, which are as yet difficult to quantify, on the economic framework, especially in Europe.

In light of the foregoing, I would like to emphasize the excellent results achieved by the Group in the year just ended.

In 2021 we were given clear signs of a strong recovery, both in Italy and Europe-wide. These were better than expected at the start of the year and in sharp contrast to the forecasts made in the most critical period of the pandemic.

Indeed, while the situation in the first few months of 2021 was still uncertain for all of us, as well as for our families and the Group companies, we embarked on a path which, while not without obstacles and uncertainties, led us towards a gradual normalisation.

At Group level, we tackled this challenge with our usual determination, ready to seize new opportunities and achieve new goals.

During 2021, we undertook a number of extraordinary operations aimed at reducing the level of risk of some activities and to partially refocus the Group’s portfolio. At the same time, we freed up resources to be used in new development initiatives that will enable us to strengthen our competitive positioning and increase the prospects of value creation from our assets.

Against this backdrop, we fine-tuned certain activities of the operating companies: IGT finalised the sale of the Gaming and Sports Betting divisions; De Agostini Editore completed the sale of De Agostini Scuola; and Planeta-De Agostini sold the non-core assets of CEAC and Deusto, which provided professional training.
At the same time, a project for the gradual disposal of the financial stake in Assicurazioni Generali was launched and has been broadly completed.

At holding level, the reappointment of the Board of Directors of De Agostini S.p.A. marked a transition to a new phase for our Group, with the appointment of two fourth-generation non-executive Vice-Chairmen, three new independent directors and the creation of an executive committee, which will be tasked with supporting the Board on the Group's current and future strategic positioning.
I am satisfied with the work done in these last 12 months as part of the new governance system.
Turning to the economic and financial framework, in 2021 the gradual return to normality led – as expected – to a marked improvement in the objectives for the annual results and, in some segments, to the achievement of business volumes and margins that were higher than pre-pandemic levels.

With regard to the individual business areas, IGT completed 2021 with flying colours thanks to its ability to react to the crisis. The Global Lottery segment recorded excellent growth – which was virtually uninterrupted even during the crisis – especially in North America and Italy, where lottery receipts far exceeded 2019 levels, mostly thanks to instant lotteries. The Global Gaming segment also benefited in the United States from the return of players to gaming venues after the easing of restrictions, achieving good levels of activity from the summer onwards and with a sharp upturn in the results early this year. Lastly, Digital Gaming & Betting recorded substantial growth both during the pandemic period and in the following months, testifying to the huge potential of this digital-based business. The company intends to exploit this potential through a specific development plan after creating a separate business unit.

The excellent performance of IGT's business in 2021, together with the proceeds from the disposals of the gaming and sports betting assets in Italy, translated into favourable cash generation; this allowed for a marked reduction in financial debt, with a significant improvement in the leverage ratio and a return to a dividend distribution as early as the fourth quarter.

De Agostini Editore also achieved a highly satisfactory year in 2021, thanks above all to the excellent performances of the new joint venture for partworks entered into between De Agostini Publishing and Planeta-De Agostini. This was due both to the success of the products launched during the year and the integration process, which confirmed the soundness of the decision to join forces to optimise results.

In addition, De Agostini Editore's 2021 results benefited from the substantial extraordinary capital gain arising from the sale of DeA Scuola to the Mondadori Group, at a time when our company was achieving the best results in its history.

For DeA Capital, 2021 was a year of expansion for its asset management platform, with considerable growth in managed assets, particularly real estate (thanks to the launch of new funds in Italy and abroad), as well as private equity and multi-manager solutions, thereby consolidating its leadership position on the Italian market.

Lastly, a word about the three subsidiaries that are not consolidated in our balance sheet although they play an important role in the Group's portfolio: Banijay Group, Gruppo Planeta-De Agostini and Assicurazioni Generali.

After completing the acquisition of EndemolShine in 2020, Banijay Group implemented the integration plan, achieving significant synergies as early as 2021. At the same time, it coped with the recovery of production activity in the main markets, consolidating its role as the undisputed leader in content production in Europe, and as a leading operator worldwide.

In Planeta-De Agostini, the Training division continued to develop its activities in Italy and internationally, achieving the significant goal of a university licence in Madrid. At the same time, Atresmedia benefited from the returning confidence of advertising investors – with a sharp rebound in television advertising revenues and a programme schedule that gained excellent audience feedback, enabling it also to return to a dividend distribution.

The exit process for Assicurazioni Generali was launched, as anticipated, with the aim of freeing up financial resources for the holding company. These will be allocated, as and when deemed fit, to new investment initiatives. Our exit coincides with the Company's stock prices reflecting the excellent operating results achieved in 2021. This was thanks to the excellent performance of the entire management, to whom we offer our heartfelt appreciation, with a special mention to CEO Philippe Donnet.

Turning to the consolidated results (which classify the assets of Gaming and Sports Betting in Italy, De Agostini Scuola, and another two minor shareholdings, under Discontinued Operations on the income statement in both 2021 and 2020): Consolidated net revenues totalled EUR 3,845 million, up by around 30% compared with the restated figure reported in 2020, due to the gradual recovery after the health emergency. Ordinary EBIT came to EUR 946 million, compared with the 2020 restated figure of EUR 182 million. On the bottom line, we recorded consolidated profit of EUR 663 million (of which EUR 346 million related to the Group), after discounting the extraordinary components relating to the sold and discontinued assets (totalling around EUR 255 million). These were largely attributable to IGT, mainly for the sale of the Gaming and Sports Betting in Italy assets, to De Agostini Editore, relating to the capital gain from the sale of School Texts, and to Banijay, relating to the deconsolidation of the shareholding.

With regard to the net financial position, this showed a consolidated net debt of EUR -5,814 million, a decrease of EUR 1,047 million on the figure at the end of 2020, thanks to the extraordinary operations described above.

For De Agostini S.p.A., net profit in 2021 was approximately EUR 48.9 million, an 18% increase on the 2020 result (approximately EUR 41.4 million).

Lastly, the Group's value at the end of the year increased substantially compared with the previous year.

In summary, therefore, we are about to close out the year with results that are much higher than initial expectations; this can be considered a good basis on which to tackle any new challenges that the future holds for us.

In this regard, I would like to reflect on the context that faces us in the next few months and on the outlook for the Group in 2022.

The global macroeconomic picture for this year has become significantly more complicated following the war in Ukraine: this has led to an acceleration in inflationary pressures around the world, while at the same time significantly reducing global – and particularly European – GDP growth expectations. Moreover, the combined effect of the resurgence of the pandemic in Asia, the acceleration of the withdrawal of accommodative monetary policies (with the resulting forecasts of major rate hikes, particularly in the US), the serious supply chain problems, and lastly, the high volatility in the financial markets, are all helping to create significant elements of uncertainty for 2022.

Despite this complicated scenario, our goal for this year is to ensure the ordinary results of our businesses remain broadly stable. In addition, the Group will continue its efforts to simplify the portfolio, which includes the sale announced by IGT of its payment services in Italy, consolidate the competitive positioning of the various businesses, continue in its search for operating excellence, and strengthen its capital structure.

In our 120-year history we have learned not to fear change, tackling it with courage and determination, as well as an awareness of the social role of the company. For those who work for the De Agostini Group, these are not just abstract words, but form part of our DNA.

We have thus sought and achieved excellence in the business sectors in which we are present, maintaining the utmost transparency towards our stakeholders. Our aim is to build an increasingly international group and to be a leader in the fields in which we operate.

I am confident that, in facing up to the scenario described above, we can rely on the ability and experience of an extremely competent and motivated management team, as well as on the passion and dedication of all our people.

My thanks and those of all the shareholders go to them for the fundamental contribution they have made in tackling and successfully dealing with this particularly challenging period.

Marco Drago

Chairman of De Agostini S.p.A.

Report on operations

1. The Group

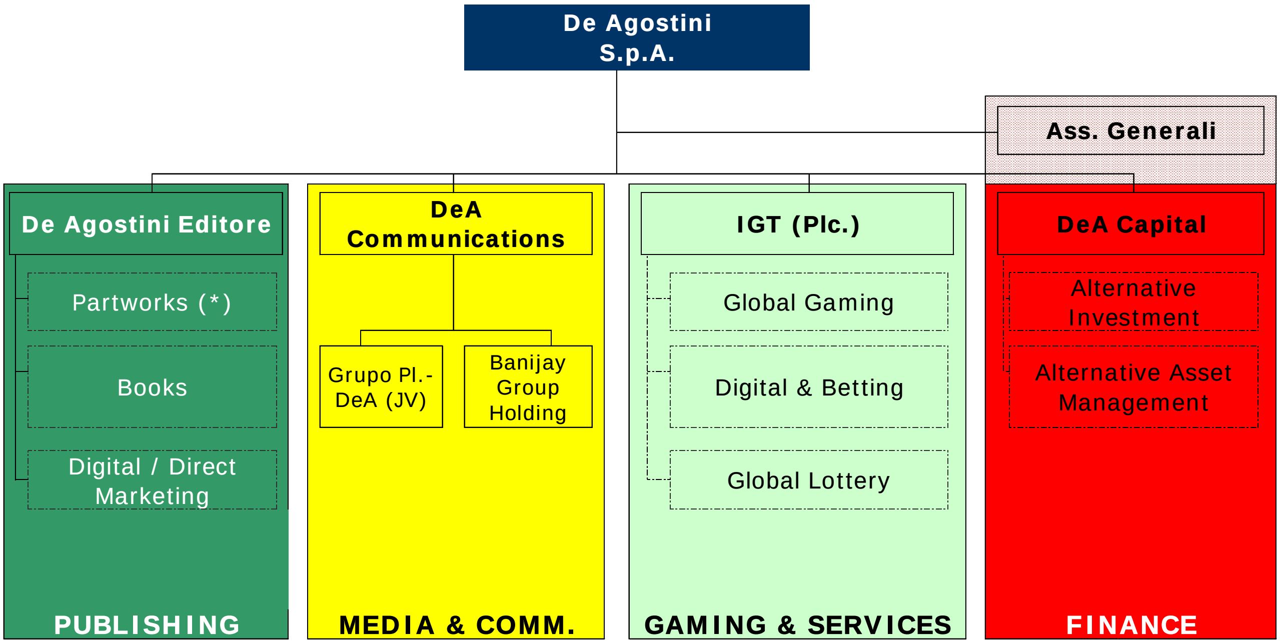
De Agostini S.p.A. owns a group of operating companies organised by business sector:

- **Publishing**
- **Media & Communication**
- **Gaming & Services**
- **Finance**

Each business sector comes under the purview of a sub-holding company which co-ordinates, manages and controls all the operating companies in that sector.

Alongside this are **holding company activities** carried out by companies in the holding company structure, which includes De Agostini S.p.A. as well as other directly and indirectly controlled financial companies.

A diagram summarising the Group structure at 31 December 2021 is shown below, followed by a brief description of the activities carried out by each sector.



(*) Including the partworks business run by Editorial Planeta De Agostini, previously 100% owned by Grupo Planeta-De Agostini. Partworks 50% owned by De Agostini Editore and 50% by Grupo Planeta-De Agostini (JV).

PUBLISHING

This sector is organised by business unit, based on the nature of products provided and the sales channels used, as shown below:

- **Partworks**, which includes the Italian and international business activities managed by the subsidiary **De Agostini Publishing**. In this area, the Group supplies partworks aimed at various target markets, via newsstands, the Internet and subscriptions, covering both the Italian and international markets.
- **Books**, which covers traditional publishing activities in Italy; in this sector the group operates via the associate **DeA Planeta Libri**, with a presence primarily in children's books, general reference and non-fiction. Until December 2021 the Group was also active in the school texts sector, under a number of brands in the primary and secondary school, university and dictionary sectors. It operated mainly in Italy, via **De Agostini Scuola S.p.A.** (now D Scuola S.p.A), which was sold to Gruppo Mondadori at the end of the year.
- **Digital**, which includes activities related to the management of themed "kids" TV channels, the creation, production and distribution of local and Europe-wide content for the kids and families target audiences, and the management of websites, operated directly by De Agostini Editore S.p.A. or via subsidiaries.
- **Direct Marketing**, for which a progressive phase-out process, started in 2017, has now been concluded. This covered mail-order channel activities aimed at consumers in several European countries.

De Agostini Editore S.p.A., wholly and directly owned by De Agostini S.p.A., is the sub-holding company for all the Group's publishing activities. It is responsible for coordinating and strategically managing those activities, and also provides publishing, IT, personnel management and other general services.

MEDIA & COMMUNICATION

The sector includes the Group's interests in media & communication; the relevant sub-holding company is **DeA Communications S.A.** ("DeA Communications"), which is fully owned directly by De Agostini S.p.A.

At 31 December 2021 the sector included the following companies:

- **Grupo Planeta-De Agostini,** a 50-50 joint venture with Planeta Corporación, operating (in Spain and worldwide) in the training and media sectors, the latter through the following subsidiaries:
  - **Atresmedia**, a Spanish national radio/TV broadcaster listed on the Madrid stock exchange;
  - **DeA Planeta**, active in cinema and content distribution in Spain.
- **Banijay Group Holding** (parent company of the Banijay Group), which is approximately 12.66% held on a fully diluted basis through **LDH**, a holding company that is 18.85% owned by DeA Communications which, in turn, is the holder of a 67.14% controlling stake in Banijay Group Holding. With the acquisition of Endemol Shine Group in 2020, Banijay Group Holding is now the largest independent producer and distributor of TV and multi-media content in the world, and is present in 23 countries (with fiction, factual, reality entertainment and docu-drama productions, as well as children's and animation programmes), operating through 120 brands (with a catalogue of over 130,000 hours of content distributed worldwide).

It should be noted that, based on the IAS/IFRS international accounting standards adopted by the Group in preparing the Consolidated Financial Statements, the stake in Grupo Planeta-De Agostini is recorded under "Investments in associates and joint ventures" and measured at equity.

Following the operations carried out in the course of the financial year (detailed in the "Significant events during the year" section of this Report on Operations), from 31 December 2021 the stake in Banijay Group Holding, previously recorded under "investments in associates and joint ventures" and measured at equity, is classified among "financial assets at fair value with changes in value booked to the statement of comprehensive income".

GAMING & SERVICES

The sector includes the Group's activities in Gaming & Services. The sub-holding company for these activities is **IGT plc**, which has its registered office in the UK and is listed on the NYSE. The company is 50.77% controlled by De Agostini S.p.A. (fully diluted at 31 December 2021).

The IGT Group operates in three areas:

- **Global Gaming;**
- **Global Lottery**;
- **Digital & Betting.**

IGT therefore operates with the following structure:

- **Global Gaming.** This area of the business designs, develops and produces games, systems and software for customers in the regulated gaming market. It has more than 440 gaming licences and works with casinos and government organisations (mainly lottery operators).
  It supplies gaming products and services, including gaming software and content, casino games management systems, video lottery terminals (VLTs), "amusement with prizes" (AWP) games machines, VLT central systems and support services for casino operators.
  Specifically, it supplies:
  - ✓ a complete suite of casino products and solutions through the development and delivery of games, systems and solutions for traditional casinos. It also develops, sells and licenses casino management systems that help casinos improve their operational efficiency and provide customised services and promotional offers. The business's revenues are generated both by the sale and rental of gaming machines, systems and software to casinos and by services relating to the maintenance of machines and systems;
  - ✓ AWP gaming machines and VLT terminals that are installed in various retail outlets and connected to a central system. The company also sells and rents systems, machines and games to other concession holders.

- **Global Lottery.** This area has full responsibility for the traditional global lottery business and the i-lottery business, including sales, operations, product development, technology and support, as well as commercial services.
  Specifically:
  - ✓ Since 1998, IGT has been the concession-holder for Gioco del Lotto in Italy, that concession having been renewed for a further nine years in 2016, as part of a consortium with other Italian and international operators. This has allowed IGT to capitalise on its significant experience in managing all activities throughout the entire lottery value chain (collection of bets through high-security processing systems, management of electronically connected terminals at retail outlets, advertising and promotion, staff training, assistance

for licence-holders and management of back-office activities). In addition, since 2004 IGT has acted as the sole concession holder for Gratta & Vinci (scratch cards) in Italy. The concession was renewed for a further nine years in 2019, as part of a consortium with other Italian and international operators.

- ✓ This business develops and provides innovative solutions for lotteries, serving around 80 clients worldwide, and performs research and development for all lottery-related products in its areas of operation. These solutions have enabled IGT to become the sole point of contact for most WLA (World Lottery Association) customers in North America by providing support to 36 of the 46 lotteries in the United States. Business revenues are derived from both the sale and rental of hardware, software and terminals for lotteries, and from the direct management of two lotteries in Indiana and New Jersey through LMA (Lottery Management Agreement) contracts. The current lottery portfolio also covers the digital channel (iLottery) through the provision of a wide range of content in the form of e-instant tickets (i.e. 10 e Lotto, MillionDay, Eurojackpot and Gratta e Vinci *on-line*). The business area also generates income by covering the entire process from development to the printing and sale of tickets for instant lotteries to 31 clients in North America and 22 clients in other regions around the world.
- ✓ It offers processing services for high volumes of commercial transactions not connected with lotteries, including top-up services for mobile phones, payments for utilities and taxes and stamp duties, reloading prepaid cards, and transport ticketing services.

- **Digital & Betting.** Set up in 2021, this business area is fully responsible for the iGaming business and sports betting around the world, areas previously covered by the Global Gaming sector. It provides iGaming products and services to on-line casino operators and technology and services for managing sports betting, with licences in the United States predominantly. The business area is well positioned as the leading provider of content and solutions.
  In detail:
  - ✓ <u>Digital</u>
    Through its PlayCasino brand, this area of the business plans, assembles and distributes a complete suite of configurable products, systems, content and services and holds over 35 licences, 17 of which are for digital games specifically. The iGaming system (with a content portfolio of over 120 games and the intention to introduce 30 new titles a year) and the multi-channel B2B sports betting platform together offer customers a gaming system that is highly integrated, from the point of sale to the back-end system.
  - ✓ <u>Sports Betting</u>
    The company provides operators in over 20 American states with sports-betting technologies and solutions via its PlaySport brand, using two different formulae:
    - “Sports betting platforms”. These solutions provide certified sports-betting management software to retail customers.
    - “Turnkey” This formula combines end-to-end sports betting with management of a portfolio of added-value services (trading, consultancy, fraud management services, interactive features such as web applications, etc.)

FINANCE

This sector principally includes the Group's activities in Alternative Asset Management, in particular promotion, management and value enhancement of investment funds in real-estate, credit and private equity. It also provides multi-asset/multi-manager investment solutions via a platform for operating companies.

To support the activities of this platform and by making use of available capital, over time DeA Capital has also built up a portfolio of alternative investments, mainly consisting of funds managed by the platform's asset management companies.

The sub-holding company for the Finance business is DeA Capital S.p.A. (DeA Capital), which is listed on the Euronext STAR Milan segment of the Milan stock exchange and is directly controlled by De Agostini S.p.A., which held a stake of around 67.1% at 31 December 2021.

With combined assets under management of around EUR 26,500 million, DeA Capital is the main Italian independent alternative asset management operator (in terms of assets under management). Its aim is to grow at pan-European level and then extend the range of investment products and solutions it offers.

DeA Capital's main shareholdings are:

- full ownership of **DeA Capital Real Estate SGR** (100%), Italy's largest independent real-estate asset management company, with assets under management of about EUR 11.8 billion and 55 managed funds (including two listed funds);
- full ownership of **DeA Capital Alternative Funds SGR** (100%), which manages alternative investment funds (private equity and credit funds), with over EUR 5.6 billion in assets under management and 17 managed funds;
- a majority stake in **Quaestio SGR** (38.8%, held indirectly through Quaestio Holding), primarily providing investment solutions for institutional investors, with assets under management of around EUR 8.8 billion;
- a controlling holding in **DeA Capital Real Estate France** (82.0%) and **DeACapital Real Estate Iberia** (73.0%), **DeACapital Real Estate Germany** (70%) and **DeA Capital Real Estate Poland** (100.0%), companies constituted between end-2018 and end-2020 to develop the real-estate advisory business to attract funds and expand real-estate consultancy and management activities in the French, Spanish, German, Austrian, Swiss and Polish markets.

The business also includes a minority shareholding in **Assicurazioni Generali**, one of Europe's leading insurance companies, which is listed on the Milan stock exchange. The stake (approximately 1.27% at December 2021) is held directly by De Agostini S.p.A.

Holding company activities

Holding company activities include the activities carried out by the companies within the **holding company structure**, which encompasses De Agostini S.p.A. as well as other directly or indirectly controlled financial companies. Specifically, these activities relate to the management of shareholdings in the sub-holding companies of the Group's individual businesses, as well as its interests in non-strategic shareholdings and activities.

2. Significant events during the year

Publishing

- **Disposal of m-dis Distribuzione Media shares**

On 8 June 2020 De Agostini Editore accepted the binding offer of a third-party operator to buy its shares in m-dis Distribuzione Media.

On 17 February 2021 RCS Mediagroup (the other m-dis Distribuzione Media shareholder) exercised its pre-emptive right and acquired 2,353,685 m-dis Distribuzione Media shares, equal to 81.8% of the shares held by De Agostini Editore in the company, for a total amount of EUR 1.5 million.

At the same time, De Agostini Editore exercised its option to sell its remaining 523,041 m-dis Distribuzione Media shares to RCS Mediagroup. The transaction was concluded on 3 June 2021 and totalled EUR 0.5 million.

- **Liquidation of De Agostini Publishing Ukraine / De Agostini Publishing Ukraine Holding / De Agostini Deutschland GmbH**

On 6 April 2021 De Agostini Publishing received a capital reimbursement from De Agostini Publishing Ukraine LLC following its liquidation. The company was deregistered on 18 October by the competent authorities.

On 17 August 2021 De Agostini Publishing received capital reimbursements from De Agostini Publishing Ukraine Holding amounting to EUR 0.1 million following its liquidation. The liquidation of the company was completed on 20 January 2022.

On 28 September the subsidiary De Agostini Deutschland GmbH was put into liquidation.

- **De Agostini Scuola dividend**

On 26 April 2021 De Agostini Editore received a EUR 12.2 million dividend from its subsidiary, De Agostini Scuola.

- **Disposal of De Agostini Scuola shares**

On 12 July 2021 De Agostini signed a contract for the transfer of its entire shareholding in De Agostini Scuola to Gruppo Arnoldo Mondadori Editore. The sale was finalised on 16 December 2021 following authorisation by the Italian Competition Authority.

The transaction included disposal proceeds of EUR 152.6 million, of which EUR 135.6 million were paid on closing and the remaining part in March 2022. A resulting capital gain of around EUR 98 million was posted to the consolidated income statement.

- **Disposal of 50% of the stake in DeA Planeta Libri**

On 19 November 2021 a preliminary agreement was signed for the sale of 50% of the share capital of DeA Planeta Libri S.r.l (renamed DeAgostini Libri) to Arnoldo Mondadori Editore S.p.A. The sale was concluded on 1 April 2022, for a token payment of EUR 1.

It should be noted that on 10 March 2022, having obtained the necessary authorisation, De Agostini Editore had repurchased that 50% of DeA Planeta Libri from Editorial Planeta for a token payment of EUR 1, becoming its sole shareholder as a result.

Gaming & Services

➢ **Disposal of IGT's Italian gaming business**

On 10 March 2021 IGT concluded an agreement to transfer 100% of its shares in Lottomatica Videolot Rete and Lottomatica Scommesse, that is, IGT's Italian gaming business, to Gamenet/Apollo Global Management (the IOTA project). Of the total price of EUR 950 million, EUR 725 million were paid on that date, with EUR 100 million to be received by 31 December 2021. The remaining EUR 125 million will be paid in one instalment by September 2022.

➢ **IGT refinancing operations**

In:

- March 2021 IGT issued 4.125% Senior Secured US Dollar Notes due April 2026 ("4.125% notes") with a nominal value of USD 750 million, using this to fully repay the 6.25% Senior Secured US Dollar Notes due in February 2022;
- May 2021 IGT fully repaid the 4.75% Senior Secured Euro[US1] Notes due February 2023 for a nominal value of EUR 850 million. The transaction was partly funded by income arising from the sale of IGT's Italian gaming business.
- July 2021 IGT signed agreements amending the Senior Facility Agreement in respect of the Term Loan maturing in 2024. The main terms of the amended agreements are: i) the amount of the term loan was redefined as EUR 1,000 million (vs the previous EUR 860 million) ii) the maturity date was extended, with progressive repayment by January 2027, iii) the interest rate applied was reduced on account of the improved economic and financial structure of the company.

Finance activities

➢ **Disposal of remaining stake in Kenan Investments/Migros**

Between the end of January and the beginning of February 2021, the subsidiary Kenan Investments (17.1% of capital) completed the sale of the remaining stake held in Migros (equivalent to around 12% of the latter's capital) through accelerated bookbuilding.

In the context of that transaction, DeA Capital S.p.A received distributions of EUR 19.5 million (largely in line with the carrying amount). This brought the total proceeds received by Kenan Investments to around EUR 249 million, against the EUR 175 million investment made in 2008 (thus with an accumulated capital gain of around EUR 74 million and a total cash-on-cash return of 1.42 times the invested capital).

➢ **Strategic agreement on real estate between DeA Capital Group and CPI Property Group**

During the financial year a strategic agreement was drawn up between De Agostini S.p.A. and its subsidiaries DeA Capital S.p.A. and DeA Capital Real Estate SGR S.p.A. on the one hand, and CPI Property Group S.A. and its subsidiary Next RE SIIQ S.p.A. (formerly Nova RE SIIQ S.p.A) on the other, with the aim of defining the terms of a potential partnership in the real estate sector.

Under that agreement, De Agostini S.p.A and the subsidiary DeA Capital S.p.A (or one of their affiliates) will subscribe to and pay a portion of the capital increase of Next RE SIIQ S.p.A. (formerly Nova SIIQ S.p.A) of up to EUR 25 million each. This is to be carried out, in one or more issues and for a maximum amount of EUR 2 billion, by the date of approval of the Annual Financial Statements for the year ended 31 December 2023 at the Shareholders' Meeting of Next RE SIIQ S.p.A. (formerly Nova RE SIIQ S.p.A), with the aim of implementing a joint project developed by Next RE SIIQ S.p.A. (formerly Nova RE SIIQ S.p.A.) on the basis of the strategic guidelines shared with DeA Capital Real Estate SGR S.p.A.

It should be noted that the subscription and paying up of the capital increase referred to above is subject to the fulfilment of certain conditions precedent by 30 June 2022, and that at the date of these financial statements the capital increase has not yet been launched.

Holding Company activities

➢ Repayment of the convertible bond issued by LDH (parent company of Banijay Group Holding)

In December 2021 LDH, the parent company of Banijay Group Holding, carried out a capital increase of EUR 65 million, which was used to fully repay the convertible bond issued by LDH in 2020 for DeA Communications. The capital increase was only partially subscribed by DeA Communications, and its holding was therefore diluted. As a result of that transaction, DeA Communications has a fully diluted holding in Banijay Group Holding of around 12.66% (compared with 13.31% previously).

For the purpose of the Group's Consolidated Financial Statements, the transaction resulted in LDH moving from associate to financial asset at fair value with changes in value booked to the statement of comprehensive income. A capital gain of approximately +EUR 131 million was entered in the consolidated accounts.

➢ Early repayment and redemption of loans held by De Agostini S.p.A.

De Agostini S.p.A fully paid off the EUR 50 million loan it held with Banca Popolare di Sondrio on the maturity date of 18 December 2021.

Also in December 2021, De Agostini S.p.A terminated its EUR 180 million Club Deal 2020 revolving credit facility with no penalties applied.

➢ Investment of excess liquidity

On 13 May De Agostini S.p.A invested EUR 50 million of its excess liquidity, of which EUR 25 million was directed into the Quaestio euro short-term bond investment fund and EUR 25 million into the solution proposed by Camperio SIM (payments made on 17 May and received by the beneficiary on 18 May 2021).

➢ Purchase of De Agostini S.p.A. convertible bonds

Following the designation of De Agostini S.p.A as purchaser by B&D Holding, on 2 July 2021 the company bought 1,568,934 treasury convertible bonds for a total payment of EUR 4.9 million, after certain bondholders exercised the option to sell granted to them by B&D Holding S.p.A.

➢ Purchase of Investendo Due shares

Following the designation of De Agostini S.p.A as purchaser by B&D Holding, in November 2021 the company purchased shares with a nominal value of EUR 5,201.33 from Investendo Due, equivalent to 33.016% of the company's share capital, for a total payment of EUR 14.3 million, after certain shareholders exercised the option to sell granted to them by B&D Holding S.p.A.

➢ Project for gradual disposal of stake in Assicurazioni Generali

In November 2021 Gruppo De Agostini launched a project to gradually dispose of its stake in Assicurazioni Generali, equal to 1.44% of the company's share capital at that date.

In that context:

- On 15 November 2021 (with amendments made on 24 November 2021) a derivative contract was signed. This took the form of a hedge transaction on a maximum of 5,000,000 Assicurazioni Generali shares, out of the total stake held by Gruppo de Agostini at that time, equal to 22,830,815 shares, of which 20,130,815 were held by De Agostini S.p.A. and 2,700,000 by the subsidiary DeA Communications;
- in December 2021 the subsidiary DeA Communications sold 2,700,000 Assicurazioni Generali shares on the market for a total payment of around EUR 49 million;
- after the close of 2021, in the first few months of 2022 six more derivative contracts were signed. These took the form of hedge transactions on 13,500,000 Assicurazioni Generali shares.
  Those contracts – like the contract already signed in 2021 for 5,000,000 Assicurazioni Generali shares – provide for the dual option of physical settlement or cash settlement, with the resulting right, at the discretion of De Agostini, to decide at the respective maturity dates, which all fall in May 2022, whether to sell the Assicurazioni Generali shares covered by the contract or to pay/receive the differential with respect to the strike price agreed on in the contracts. In this case, as in similar operations, the shares covered by the contracts were pledged as security.

➢ Dividends received/paid

In June 2021 the Shareholders' Meeting of De Agostini S.p.A. approved the Financial Statements at 31 December 2020, which closed with a net profit of EUR 41.4 million, and agreed to the distribution of a dividend of EUR 0.537 per share or EUR 22.1 million for eligible shares (to be taken from the net profit for the period). Of the remaining part, EUR 6.9 million was allocated to the net ordinary income reserve as provided for by Article 27 of the Articles of Association, and EUR 12.4 million to the extraordinary reserve.

In 2021 De Agostini S.p.A. recorded dividends from the associated companies amounting to a total of EUR 88.7 million, of which EUR 15.6 million related to IGT, EUR 17.9 million to DeA Capital, EUR 29.6 million to Assicurazioni Generali and EUR 25.0 million to DeA Communications.

3. Analysis of the Group's operating performance and financial position

3.1 Introduction

➢ Legislative framework for preparation of the financial statements

The Consolidated Financial Statements for the year ended 31 December 2021 were prepared on the basis of the international accounting standards (IAS/IFRS) approved by the European Union.

All the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the Standing Interpretations Committee (SIC), approved by the European Union, were also applied in preparing the Consolidated Financial Statements.

The Consolidated Financial Statements at 31 December 2021 were prepared under the same accounting principles as those adopted in the previous year.

Please note that following:

- the completion of the sale of the entire shareholding in De Agostini Scuola to Gruppo Arnoldo Mondadori Editore on 16 September 2021 (as described in the section entitled "Significant events during the year"),
- preliminary agreements on the sale of Editions Atlas Suisse in 2022,

the financial statements at 31 December 2020 were restated in order to comply with IFRS 5, that is, the effects thereof were all restated in the Consolidated Income Statement under the item "Net profits from operations sold or discontinued". No restatement was, however, necessary for the Statement of Financial Position.

The Financial Statements at 31 December 2020 were also restated to standardise the application of accounting policies across the Group, at the level of both the Income Statement and the Statement of Financial Position.

The “Restated consolidated income statements" included in the Financial Statements for the year ended 31 December 2020 are shown below. These statements were revised in the light of the provisions of IFRS 5, and as far as necessary to standardise the accounting policies applied across the Group, to ensure that they are comparable with the statements for 2021:

Figures in EUR million	**2020** ***As Reported***	**De Agostini Scuola / Editions Atlas Suisse**	**Other**	**2020** ***Restated***
REVENUES	**3,026**	**(76)**	**-**	**2,950**
EBITDA	**974**	**(26)**	**-**	**948**
Deprec., amort. and other non-cash items	(754)	5	-	(749)
Income (loss) from equity investments	(17)	-	-	(17)
ORDINARY EBIT	**203**	**(21)**	**-**	**182**
Financial income/(charges)	(403)	-	-	(403)
ORDINARY EBT (A)	**(200)**	**(21)**	**-**	**(221)**
Impairment	(272)	-	-	(272)
Other non-recurring income/(charges)	(331)	-	-	(331)
NO - ORDINARY EBT (B)	**(603)**	**-**	**-**	**(603)**
EBT (A+B)	**(803)**	**(21)**	**-**	**(824)**
Taxes	3	4	(16)	(9)
Net profit (loss) from assets sold/discontinued operations	27	17	-	44
Consolidated net profit (loss)	**(773)**	**-**	**(16)**	**(789)**
Of which:				
Net profit (loss) pertaining to minorities	**(395)**	**-**	**(5)**	**(400)**
Net profit (loss) pertaining to group	**(378)**	**-**	**(11)**	**(389)**

The “Restated consolidated financial statements” included in the Financial Statements for the year ended 31 December 2020 are presented below. These statements were revised as far as necessary in order to standardise the accounting policies applied across the Group to ensure that they are comparable with the statements for 2021:

Figures in EUR million	**31.12.2020 As Reported**	**Other**	**31.12.2020 Restated**
Goodwill	4,063	-	4,063
Other intangible assets	1,339	-	1,339
Tangible assets	996	-	996
Right of use assets (IFRS 16)	267	-	267
Investments	1,594	-	1,594
Cash and cash equivalents	1,040	-	1,040
Other net assets	1,173	(16)	1,157
TOTAL	**10,472**	**(16)**	**10,456**
for hedging:			
Financial liabilities	**8,216**	**-**	**8,216**
Shareholders' equity	**2,256**	**(16)**	**2,240**

The provisions of Legislative Decree 38/2005 and of the IAS/IFRS constitute the normative framework for the Company in preparing the Consolidated Financial Statements.

In accordance with the provisions of Legislative Decree 38/2005, the Company prepares its financial statements in accordance with arts. 2423 *et seq*. of the Italian Civil Code.

➢ Restated Consolidated Financial Statements

The Consolidated Financial Statements and explanatory notes in this document have been supplemented with a number of performance indicators that enable the management to provide information on the performance of the Group's businesses, in line with analysis and control parameters.

For this reason, a set of Restated Consolidated Financial Statements was prepared showing performance indicators more commonly used by the management than those shown in the aforementioned Consolidated Financial Statements and explanatory notes. These are:

- **Net revenues** This represents the turnover of individual businesses and the Group as a whole, calculated as the income from sales and services.

- **EBITDA** This represents operating profit/(loss) before tax, financial income/charges, one-off items, profits/losses of shareholdings valued at equity, depreciation and amortisation, and other non-cash items (e.g. impairment losses and gains/losses on the sale of tangible and intangible assets). Given the nature of the business carried out by the companies in the Finance business and the holding company structure, the net financial income relating to these activities is included in EBITDA (Earnings before interest, tax, depreciation and amortisation).

- **ORDINARY EBIT** This is calculated using the EBITDA figure plus the profits/losses from shareholdings valued at equity, depreciation and amortisation and other ordinary non-cash items.

- **ORDINARY EBT** This is calculated by subtracting the figure for net financial income/expenses from ORDINARY EBIT.

  This figure – like ORDINARY EBIT – does not include the effects of any impairment or other non-current items included in the NON-ORDINARY EBT figure, which is shown separately.

- **NET FINANCIAL POSITION (NFP)** This represents the difference between: (+) cash and cash equivalents, as well as loans, receivables and certain financial assets with changes in fair value recognised in Comprehensive Income (under other comprehensive income) or in the Income Statement; (-) financial liabilities.

Net revenues, EBITDA, ORDINARY EBIT/EBT and net financial position are alternative performance indicators not determined according to IAS/IFRS; they are reported to help show performance trends, as well as to provide useful information on the Group's ability to manage debt, and to assist in estimating the value of group assets.

The restated Consolidated Financial Statements show the same net profit/(loss) and shareholders' equity as the Consolidated Financial Statements and are used below to comment on both the consolidated results and those of the individual business areas.

3.2 Restated Consolidated Financial Statements

A summary is given below of the Group's key financial and operating performance indicators, based on the restated Consolidated Financial Statements, prepared in line with the above explanations.

Figures in EUR million	2021(*)	2020 Restated	Change Absolute	Change %	2020 As Reported
REVENUES	**3,845**	**2,950**	**895**	**30%**	**3,026**
EBITDA	**1,600**	**948**	**652**	**69%**	**974**
Deprec., amort. and other non-cash items	(696)	(749)	53		(754)
Income (loss) from equity investments	42	(17)	59		(17)
ORDINARY EBIT	**946**	**182**	**764**	**420%**	**203**
Financial income/(charges)	(299)	(403)	104		(403)
ORDINARY EBT (A)	**647**	**(221)**	**868**	**-393%**	**(200)**
Impairment	(6)	(272)	266		(272)
Other non-recurring income/(charges)	(212)	(331)	119		(331)
NO - ORDINARY EBT (B)	**(218)**	**(603)**	**385**	**n.a.**	**(603)**
EBT (A+B)	**429**	**(824)**	**1,253**	**n.a.**	**(803)**
Taxes	(239)	(9)	(230)		3
Net profit (loss) from assets sold/discontinued operations	473	44	429		27
Consolidated net profit (loss)	**663**	**(789)**	**1,452**	**n.a.**	**(773)**
Of which:					
Net profit (loss) pertaining to minorities	**317**	**(400)**	**717**	**n.a.**	**(395)**
Net profit (loss) pertaining to group	**346**	**(389)**	**735**	**n.a.**	**(378)**
Net Financial Position	**(5,814)**	**(6,861)**	**1,047**	**n.a.**	**(6,861)**
Of which:					
Gaming and Services	*(5,753)*	*(6,553)*	*800*	*n.a.*	*(6,553)*

(*) Restated to ensure compliance with IFRS 5 and in order to standardise the application of accounting policies across the Group.

3.3 Operating performance

➢ Net revenues

Consolidated net revenues in 2021 were EUR 3,845 million, an increase of around 30% as compared with 2020 Restated (EUR 2,950 million). These figures break down as follows:

Net Revenues *Figures in EUR million*	2021	%	2020 Restated	%	Change	2020 As Reported
Publishing	313	8.1%	173	5.9%	140	249
Gaming & Services	3,459	90.0%	2,708	91.8%	751	2,708
Finance	74	1.9%	71	2.4%	3	71
Holding Companies / Eliminations	(1)	0.0%	(2)	-0.1%	1	(2)
Consolidated Total	**3,845**	**100.0%**	**2,950**	**100.0%**	**895**	**3,026**

The net revenues of the **Publishing** business were EUR 313 million, up +EUR 140 million on 2020 Restated (+81.0%) and attributable to Partworks (+EUR 141 million, due to the positive effect of EUR +90 million from the full-year consolidation of Editorial Planeta De Agostini – compared with only 2 months in 2020 – as well as the solid performance in Japan and Italy).

The **Gaming & Services** business posted net revenues of EUR 3,459 million, an increase of +EUR 751 million compared with 2020 Restated. This reflects a marked improvement in all the business lines, and in particular:

- an increase of around 30% in Global Lottery, with global same-store sales up +20% mainly thanks to Instants;
- an increase of 33% in Global Gaming, indicating that the sector's recovery is speeding up, particularly in North America, partly owing to the easing of restrictions associated with the COVID-19 health crisis;
- an increase of +44% in Digital & Betting, which recorded a significant growth both during the pandemic and in the months that followed, thanks in part to the acquisition of new jurisdictions and new customers.

The **Finance** business posted net revenues of EUR 74 million, a slight increase compared with 2020 Restated. These revenues are largely attributable to fees generated by Alternative Asset Management.

➢ EBITDA

The Group recorded EBITDA of EUR 1,600 million for the year ended 31 December 2021, an increase as compared with the previous year. This breaks down as follows:

EBITDA *Figures in EUR million*	2021	%	2020 Restated	%	Change	2020 As Reported
Publishing	7	0.4%	1	0.1%	6	27
Gaming & Services	1,484	92.8%	939	99.1%	545	939
Finance	73	4.6%	14	1.5%	59	14
Holding Companies / Eliminations	36	2.3%	(6)	-0.6%	42	(6)
Consolidated Total	**1,600**	**100.0%**	**948**	**100.0%**	**652**	**974**

The EBITDA for the **Publishing** business was EUR 7 million, up +EUR 6 million on 2020 Restated, largely as a result of Partworks and the full-year consolidation (compared with only 2 months in 2020) of Editorial Planeta De Agostini (scope of consolidation effect of around +EUR 8 million).
The EBITDA of **Gaming and Services** was EUR 1,484 million, up significantly on 2020, largely owing to the effect of higher net revenues. These came firstly from Global Lottery, which recorded an exceptional performance, and secondly from Global Gaming and Digital & Betting, on the back of the recovery of activity linked to the gradual improvement of the situation with respect to the COVID-19 health crisis, as well as improved profitability owing to a better mix of business activities and ongoing cost control.

The EBITDA for the **Finance business** was EUR 73 million (EUR 14 million in 2020 Restated), reflecting the dividend received from Assicurazioni Generali (EUR 34 million, versus EUR 11 million in 2020) and the contribution made by DeA Capital's activities. The investment income and expenses of DeA Capital in 2021 were positive overall (+EUR 30 million) compared with the negative posting in 2020 (-EUR 9 million), primarily owing to the increase in fair value of the private equity/credit funds (+EUR 27 million) and the investment in Kenan Investments/Migros (+EUR 4 million); 2020 was marred by a reduction in fair value of the portfolio assets in the Opportunity Fund I portfolio (EUR -11 million).

The EBITDA of **Holding company activities/other business** was up by +EUR 36 million, a marked increase compared with 2020 Restated owing to a significant improvement in the fair value of investments made by the Connect fund and the subsidiary DeA Communications, net of higher costs for the long-term incentive plan.

- **ORDINARY EBIT**

The Group's ORDINARY EBIT for the year ended 31 December 2021 was EUR 946 million, after deduction of depreciation/amortisation charges and other ordinary non-cash items totalling EUR 696 million, and positive income of EUR +42 million from shareholdings measured at equity.

ORDINARY EBIT *Figures in EUR million*	**2021**	**2020 Restated**	**Change**	**2020 As Reported**
EBITDA	**1,600**	**948**	**652**	**974**
Deprec., amort. and other non-cash items	(696)	(749)	53	(754)
Income (loss) from equity investments	42	(17)	59	(17)
ORDINARY EBIT	**946**	**182**	**764**	**203**

Amortisation, depreciation and other ordinary non-cash items break down as follows:

- EUR 60 million for amortisation and write-downs of right-of-use assets recorded following the adoption of the IFRS 16 accounting standard on 1 January 2019 (EUR 64 million 2020 Restated);
- EUR 359 million for amortisation and write-downs of intangible assets (EUR 372 million in 2020 Restated), in particular related to customer relationships;
- EUR 277 million relating to amortisation and write-downs of tangible assets (EUR 313 million in 2020 Restated).

In 2021 the Group posted positive income from shareholdings measured at equity of EUR +42 million, as compared with the negative -EUR 17 million posted in 2020 Restated. The data recorded in 2021 includes the +EUR 30 million increase in the income of Grupo Planeta-De Agostini (-EUR 11 million in 2020 Restated, which reflected the strong negative impact that the post-COVID-19 contraction in the Spanish advertising market had on Atresmedia's income) and the +EUR 9 million increase in the income of LDH, parent company of Banijay Group Holding (-EUR 5 million in 2020 Restated).

- **Net profit (loss)**

The table below shows the relationship between ORDINARY EBIT and consolidated net profit/(loss):

Net profit (loss) *Figures in EUR million*	**2021**	**2020 Restated**	**Change**	**2020 As Reported**
ORDINARY EBIT	**946**	**182**	**764**	**203**
Financial income/(charges)	(299)	(403)	104	(403)
ORDINARY EBT (A)	**647**	**(221)**	**868**	**(200)**
Impairment	(6)	(272)	266	(272)
Other non-recurring income/(charges)	(212)	(331)	119	(331)
NO - ORDINARY EBT (B)	**(218)**	**(603)**	**385**	**(603)**
EBT (A+B)	**429**	**(824)**	**1,253**	**(803)**
Taxes	(239)	(9)	(230)	3
Net profit (loss) from assets sold/discontinued operations	473	44	429	27
Consolidated net profit (loss)	**663**	**(789)**	**1,452**	**(773)**
Of which:				
Net profit (loss) pertaining to minorities	***317***	***(400)***	***717***	***(395)***
Net profit (loss) pertaining to group	**346**	**(389)**	**735**	**(378)**

ORDINARY EBT for 2021 was positive at EUR +647 million, after deducting a negative financial management balance of EUR -299 million. With regard to financial management, the balance in 2021 (compared with the corresponding values of 2020 Restated) breaks down as follows:

- -EUR 2 million relating to the Publishing business (-EUR 2 million in 2020 Restated);
- -EUR 290 million relating to the Gaming & Services business (-EUR 373 million in 2020 Restated). The significant decrease compared with 2020 Restated is attributable to a reduction in net borrowing, in particular following the sale of IGT's Italian gaming business (the IOTA project);
- -EUR 7 million relating to Holding Company activities (-EUR 28 million in 2020 Restated).

Non-ordinary expenses of -EUR 218 million in 2021 (versus non-ordinary expenses of -EUR 603 million in 2020 Restated) were included in the NON-ORDINARY EBT figure. Particular note should be taken of the following items recorded in 2021:

- Other non-recurring income (expenses) of -EUR 212 million (-EUR 331 million in 2020 Restated), of which +EUR 66 million relate to the effect of the US dollar/euro exchange rate on IGT as a result of the strengthening of the dollar against the euro during that period (mainly due to the conversion of foreign currency loans held by IGT); -EUR 76 million to the costs of IGT's liability management; -EUR 5 million to IGT's restructuring costs; -EUR 30 million to the costs of IGT's stock compensation; -EUR 77 million to minority interests in Lottoitalia's income, recorded in the financial statements as remuneration of recorded financial debt and not as income attributable to minority interests (in line with specific contractual clauses between IGT Lottery, controlling shareholder of Lottoitalia, and the minority shareholders); -EUR 47 million to provisions for risks related to equity investments; +EUR 131 million to the capital gain resulting from the deconsolidation of the holding in LDH, parent company of Banijay Group Holding (now considered as an asset measured at fair value under OCI); and -EUR 169 million to the marking of the Dauphine Project to market, as well as the effect of the exchange rate on the associated prepayment.

2020 reflected an impairment of -EUR 272 million, of which -EUR 271 million related to the Gaming and Services business, primarily goodwill on the International business and North America Gaming. This alignment in value, which has no monetary impact and therefore no bearing on the company's NFP, was based on the outcome of an impairment test conducted following the 2020 results (lower than expected, in particular owing to the effects of COVID-19).

In terms of taxes, expenses of -EUR 239 million were recorded in 2021, compared with -EUR 9 million in 2020 Restated, broken down as follows:

- +EUR 1 million relating to the Publishing business (+EUR 1 million in 2020 Restated);
- -EUR 234 million relating to the Gaming & Services business (-EUR 16 million in 2020 Restated), largely owing to the significant improvement recorded in the operating results; It should also be noted that the 2020 Restated accounts reflected the reversal of deferred tax posted previously and not recoverable by IGT and the irrelevance for tax purposes of the impairment of goodwill;
- -EUR 12 million relating to the Finance business (-EUR 1 million in 2020 Restated), mainly linked to the tax effect of restatement to fair value of the funds in the portfolio in 2021;
- +EUR 6 million relating to Holding Company activities (+EUR 7 million in 2020 Restated).

Net profit (loss) from operations sold or discontinued for 2021 mainly refers to:

- IGT's Italian gaming business (taking into account both the income up until the date of disposal, and the capital gain deriving from the disposal in 2021) for a total of EUR 360 million (+EUR 30 million in 2020 Restated);
- De Agostini Scuola (taking into account both the income up until the date of disposal, and the capital gain deriving from the disposal in 2021) for a total of +EUR 109 million (+EUR 13 million in 2020 Restated).

To summarise, the Consolidated Net Income was positive at EUR 663 million in 2021, compared with a negative figure of -EUR 789 million in 2020 Restated, with a positive Net Income attributable to the Group of +EUR 346 million, compared with negative Net Income of -EUR 389 million in 2020 Restated.

The Net Income attributable to minority interests, which was positive at +EUR 317 million (compared with the figure of -EUR 400 million in 2020 Restated), mainly reflected the +EUR 297 million relating to IGT's pro-rata share of Group Net Income (-EUR 403 million in 2020 Restated), the +EUR 13 million relating to Connect's pro-rata share of Group Net Income (+EUR 6 million in 2020 Restated), and the +EUR 7 million relating to the pro-rata share of Group Net Income accruing to DeA Capital/IDeA OPI I (-EUR 3 million in 2020 Restated).

Net Income attributable to the Group was EUR +346 million (compared with a loss of -EUR 389 million in 2020 restated), and mainly reflected:

- +EUR 106 million in Net Income from the DeA Editore group (+EUR 2 million in 2020 Restated);

- the +EUR 220 million pro-rata share of Group Net Income accruing to IGT (-EUR 413 million in 2020 Restated);
- the +EUR 30 million pro-rata share of Group Net Income accruing to Grupo Planeta-De Agostini (-EUR 11 million in 2020 Restated) and the +EUR 9 million share of LDH, parent company of Banijay Group Holding (-EUR 5 million in 2020 Restated);
- the +EUR 13 million pro-rata share of Net Income accruing to Connect (+EUR 7 million in 2020 Restated);
- the +EUR 16 million pro-rata share of the Group Net Income accruing to DeA Capital/OPI I (figure close to zero in 2020 Restated);
- +EUR 34 million in dividends from Assicurazioni Generali (+EUR 11 million in 2020 Restated);
- -EUR 82 million in Net Income from the Holding Company structure (+EUR 20 million in 2020 Restated).

Statement of Performance – IAS 1

A summary version of the Comprehensive Income or Statement of Performance – IAS 1, is shown below. It reports the net profit/(loss) for the year as the sum of the portion recorded in the Income Statement and that posted directly to shareholders' equity:

Statement of Performance - IAS 1 *Figures in EUR million*	**2021**	**2020 Restated**	**2020 As Reported**
Net Profit/(Loss) (A)	**663**	**(789)**	**(773)**
Items that could be subsequently reclassified within the profit (loss) for the period			
Profit / (loss) on traslating foreign operations	124	(12)	(12)
Profit / (loss) on cash flow hedge	3	(1)	(1)
Profit / (loss) on investments valued at equity	2	(4)	(4)
Tax effect	(1)	-	-
Items that could be subsequently reclassified within the profit (loss) for the period			
Profit / (loss) on financial assets at *Fair Value*	97	(94)	(94)
Profit/(loss) on remeasurement of defined benefit plans	-	(1)	(1)
Tax effect	(1)	1	1
Other comprehensive income/(loss) (B)	**224**	**(111)**	**(111)**
Total comprehensive income/(loss) (A+B)	**887**	**(900)**	**(884)**
Of which:			
Net profit (loss) pertaining to minorities	***380***	***(405)***	***(400)***
Net profit (loss) pertaining to group	***507***	***(495)***	***(484)***

Gains (losses) on financial assets measured at fair value amounted to +EUR 97 million in 2021 (compared with a negative balance of -EUR 94 million in 2020 Restated, which included a negative fair value change for Assicurazioni Generali of -EUR 94 million). This was largely due to the positive fair value change for Assicurazioni Generali, which included the positive effect of the sale of 2.7 million shares held by DeA Communications and the negative effect of the mark-to-market value of the derivative contract entered into (+EUR 97 million in total).

Exchange-rate gains/(losses) mainly reflect the impact of the conversion into euro of the Financial Statements of Group companies drawn up in various currencies, particularly in relation to the Gaming and Services business (+EUR 119 million, compared with -EUR 7 million in 2020 Restated, mainly due to the revaluation of the US dollar versus the euro).

To summarise, Comprehensive Income totalled +EUR 887 million in 2021, compared with a negative figure of -EUR 900 million in 2020 Restated; the portion attributable to the Group was positive, amounting to +EUR 507 million as compared with a negative figure of -EUR 495 million in 2020 Restated.

3.4 Statement of financial position

The table below provides a summary of the Group's key figures from the statement of financial position.

Figures in EUR million	**31.12.2021**	**31.12.2020 *Restated***	**Change**	**31.12.2020 *As Reported***
Goodwill	4,319	4,063	256	4,063
Other intangible assets	1,291	1,339	(48)	1,339
Tangible assets	944	996	(52)	996
Right of use assets (IFRS 16)	255	267	(12)	267
Investments	1,722	1,594	128	1,594
Cash and cash equivalents	911	1,040	(129)	1,040
Other net assets	598	1,157	(559)	1,173
TOTAL	**10,040**	**10,456**	**(416)**	**10,472**
for hedging:				
Financial liabilities	**7,071**	**8,216**	**(1,145)**	**8,216**
Shareholders' equity	**2,969**	**2,240**	**729**	**2,256**

Goodwill

At 31 December 2021 goodwill was EUR 4,319 million (EUR 4,063 million at 31 December 2020 Restated), broken down as follows:

- EUR 20 million for the Publishing business, entirely attributable to the Spanish partworks business transferred to De Agostini Publishing by the Spanish Grupo Planeta De Agostini joint venture on 1 November 2020 (EUR 59 million at 31 December 2020 Restated, of which EUR 34 million were attributable to the school texts business (De Agostini Scuola) and +EUR 25 million to the aforementioned Spanish partworks business. The change with respect to 31 December Restated, which amounts to -EUR 39 million, is attributable (-EUR 34 million) to the transfer of the school texts business (De Agostini Scuola) to the Mondadori group in 2021 and (-EUR 5 million) to the completion of the purchase price allocation process with respect to the Spanish partworks business.
- EUR 4,199 million attributable to the Gaming & Services business (EUR 3,904 million at 31 December 2020 Restated); the increase from 31 December 2020 (+EUR 295 million) was entirely due to conversion differences on goodwill denominated in foreign currencies;
- EUR 100 million for the Finance business (EUR 100 million at 31 December 2020 Restated) relating to DeA Capital Alternative Funds SGR (EUR 38 million, also including, starting from 2019, the NPL Management business division acquired from Quaestio SGR) and DeA Capital Real Estate SGR (EUR 62 million).

Other intangible assets

Other intangible assets include intellectual property rights, concessions, licences and trademarks, as well as other intangibles.

At 31 December 2021 other intangible assets totalled EUR 1,291 million (EUR 1,339 million at 31 December 2020 restated), comprising:

- EUR 22 million relating to the Publishing business (EUR 32 million at 31 December 2020 Restated), mainly in respect of digital investments, intellectual property rights and basic software and applications; 2020 also included publishing investments related to the school texts business, disposed of in 2021;

- EUR 1,244 million relating to the Gaming & Services business (EUR 1,281 million at 31 December 2020 Restated), primarily from customer agreements, concessions, licences and capitalised software. The small decrease recorded for 2021 is due to the combined effects of amortisations during the period, which were almost entirely offset by changes in the foreign exchange translation difference;
- EUR 25 million relating to the Finance business (EUR 26 million at 31 December 2020 Restated), chiefly due to customer contracts and performance fees.

Tangible assets

At 31 December 2021 tangible assets totalled EUR 944 million (EUR 996 million at 31 December 2020 Restated), which breaks down as follows:

- Real estate amounting to EUR 23 million (EUR 27 million at 31 December 2020 Restated);
- EUR 922 million in other tangible assets (EUR 969 million at 31 December 2020 Restated).

The EUR 23 million in real estate included:
- EUR 11 million relating to the Publishing business (EUR 11 million at 31 December 2020 Restated);
- EUR 12 million relating to the Gaming & Services business (EUR 16 million at 31 December 2020 Restated).

The EUR 922 million in other tangible assets included:

- EUR 2 million relating to the Publishing business (EUR 2 million at 31 December 2020 Restated);
- EUR 916 million relating to the Gaming & Services business (EUR 963 million at 31 December 2020 Restated), mainly for terminals and contract-related systems;
- EUR 4 million relating to holding company activities (EUR 4 million at 31 December 2020 Restated).

Investments

At 31 December 2021 the Group's investments totalled EUR 1,722 million. A breakdown of this item is given below:

Investments *Figures in EUR million*	**31.12.2021**	**31.12.2020 Restated**	**Change**	**31.12.2020 As Reported**
Investment properties	17	26	(9)	26
Equity Investments	402	439	(37)	439
Loans and receivables	275	287	(12)	287
Financial assets at fair value through OCI	608	345	263	345
Financial assets at fair value through profit or loss	420	497	(77)	497
Total group	**1,722**	**1,594**	**128**	**1,594**

At 31 December real estate investments totalled EUR 17 million (EUR 26 million at 31 December 2020 Restated), attributable to the Venere Fund, managed by DeA Capital real Estate SGR) and De Agostini S.p.A; the decrease with respect to 31 December 2020 Restated reflects the depreciation of a property in Rome of around -EUR 6 million. The property remained vacant at the end of the year when the pre-existing rental agreement expired.

Shareholdings measured at equity included Grupo Planeta-De Agostini at EUR 363 million (EUR 333 million at 31 December 2020 Restated).
It should be noted that the balance at 31 December 2020 Restated included the EUR 67 million holding in LDH/Banijay Group, now reclassified under financial assets measured at fair value in OCI and posted at approx. EUR 213 million at 31 December 2021.

Loans and receivables totalled EUR 275 million, a slight decrease of -EUR 12 million on 31 December 2020 Restated (EUR 287 million) and primarily include IGT customer financing receivables and loans from the transfer of shares in EAE-EDP Ediformacion S.L. and in EAE-OSTELEA FORMACION ONLINE, S.L. by DeA Communications to Planeta Corporation, and lending to real-estate co-investment vehicles in France, concluded in 2020 by the DeA Capital Group. The item also includes the amount owed to De Agostini Editore by the Arnoldo Mondadori Group relating to the adjustment of the sale price of the De Agostini Scuola shareholding.

Financial assets measured at fair value with changes recognised in the Other components of the Comprehensive Income Statement (OCI) amounted to EUR 608 million (EUR 345 million at 31 December 2020 Restated); these mainly reflect:

- The investment (included under financial assets) in Assicurazioni Generali shares, recorded at a value of EUR 375 million on the basis of the closing price on 31 December 2021 (EUR 18.63 per share compared with EUR 14.26 per share at 31 December 2020). At 31 December 2021 the Group owned 1.27% of the share capital of Assicurazioni Generali, that is, 20,130,815 of its shares (compared with 22,830,815 shares at 31 December 2020 Restated);
- The approx. EUR 213 million investment in LDH/Banijay Group Holding.

Financial assets measured at fair value with changes recognised in the Income Statement amounted to EUR 420 million (EUR 497 million at 31 December 2020 Restated); these include:

- Derivatives at EUR 8 million (EUR 153 million at 31 December 2020 Restated), attributable primarily to the positive mark-to-market of Dauphine Project (+EUR 6 million at 31 December 2021 compared with +EUR 144 million at 31 December 2020 Restated);
- Investments in funds totalling EUR 245 million (EUR 163 million at 31 December 2020 Restated) of which EUR 133 million related to the Finance business, EUR 107 million to the activities of the holding companies and EUR 5 million to Gaming and Services. The marked increase with respect to 31 December 2020 Restated is mainly due to De Agostini S.p.A.'s investment of liquidity in 2021, and the positive fair value adjustment made to DeA Communications' portfolio funds;
- Other investment/activities amounting to EUR 167 million (EUR 181 million at 31 December 2020 Restated) of which EUR 33 million related to the Finance business and EUR 134 million to the activities of the holding companies. The decrease compared with the balance at 31 December 2020 Restated is attributable to the repayment in 2021 of the convertible bond issued by LDH, partly offset by the combined effect of the positive fair value adjustment to Connect's portfolio.

Other net current assets

At 31 December 2021 other net current assets stood at +EUR 598 million. The table below shows the items included in this balance:

Other net assets

Figures in EUR million	31.12.2021	31.12.2020 Restated	Change	31.12.2020 As Reported
Trade receivables/payables: net balance	(35)	(179)	144	(179)
Net balance of non-current assets/liabilities or of discontinued operations held for sale	4	502	(498)	502
Net balance of tax assets/liabilities	(328)	(290)	(38)	(274)
Net balance of other assets/liabilities	1,068	1,169	(101)	1,169
Provisions	(111)	(45)	(66)	(45)
Total group	**598**	**1,157**	**(559)**	**1,173**

The net balance of “Trade receivables and payables” comprises trade receivables of EUR 869 million (EUR 758 million at 31 December 2020 Restated) and trade payables of EUR 904 million (EUR 937 million at 31 December 2020 Restated).

At 31 December 2020 Restated, the net balance of non-current or disposal group assets/liabilities held for sale related to IGT’s Italian gaming business, amounting to a total of EUR 496 million (sold in 2021 to Gamenet/Apollo Global Management).

The net balance of “Tax assets and liabilities” of -EUR 328 million (-EUR 290 million at 31 December 2020 Restated) includes deferred tax assets of EUR 78 million (EUR 71 million at 31 December 2020 Restated) and deferred tax liabilities of EUR 344 million (EUR 289 million at 31 December 2020 Restated).

The net balance of “Other assets/liabilities” includes other assets amounting to EUR 1,733 million (EUR 1,743 million at 31 December 2020 Restated) and other liabilities amounting to EUR 665 million (EUR 574 million at 31 December 2020 Restated).

At 31 December 2021 “Provisions” of EUR 111 million (EUR 45 million at 31 December 2020 Restated) mainly relate to employment severance indemnity (EUR 16 million; EUR 18 million at 31 December 2020 Restated), other employee benefits (EUR 20 million; EUR 4 million at 31 December 2020 Restated*),* and provisions for future risks and charges, including those for investee companies (+EUR 75 million; EUR 19 million at 31 December 2020 Restated.

Shareholders’ equity

At 31 December 2021 Consolidated Shareholders’ Equity (Group and minorities) stood at EUR 2,969 million (EUR 2,240 million at 31 December 2020 Restated); Group Shareholders’ Equity was EUR 1,835 million (EUR 1,373 million at 31 December 2020 Restated), while minority interests accounted for EUR 1,134 million (EUR 867 million at 31 December 2020 Restated).

The increase in Shareholders’ Equity attributable to the Group compared with the balance at 31 December 2020 Restated – +EUR 462 million in total – is mainly a reflection of the following:

- A net gain of +EUR 346 million for 2021;
- Dividend payments to shareholders of -EUR 22 million;
- The effect of the repurchase of De Agostini S.p.A treasury shares following the purchase of shares in Investendo Due for -EUR 15 million;
- Other changes amounting to +EUR 153 million, mainly as a result of the effects of the conversion into euro of the financial statements of group companies drawn up in other currencies, in particular relating to Gaming and Services (+EUR 61 million), and of the positive change in the fair value of Assicurazioni Generali, including the positive effect of the disposal of 2.7 million shares held by DeA Communications and the negative effect of the mark-to-market value of the derivative contract entered into (+EUR 97 million overall).

The increase in shareholders’ equity attributable to minority interests compared with the balance at 31 December 2020 Restated – +EUR 267 million in total – is mainly a reflection of the following:

- Net income for minority interests of +EUR 317 million in 2021;
- Payment of dividends of -EUR 54 million (to minority shareholders of IGT and DeA Capital);
- Other changes amounting to +EUR 4 million, mainly as a result of the effects of the conversion into EUR of the financial statements of group companies drawn up in other currencies, in particular relating to Gaming and Services (+EUR 58 million), after deduction of net capital repayments (-EUR 44 million), in particular linked to the payment of capital to minority shareholders in Lotterie Nazionali.

Net Financial Position (NFP)

The table below shows the Group's Net Financial Position broken down by business area:

Net Financial Position

Figures in EUR million	**31.12.2021**	**31.12.2020 Restated**	**Change**	**31.12.2020 As Reported**
Publishing	54	(98)	152	(98)
Gaming & Services	(5,753)	(6,553)	800	(6,553)
Finance	139	129	10	129
Holding	(275)	(360)	85	(360)
Eliminations intrasegment	21	21	-	21
Total group	**(5,814)**	**(6,861)**	**1,047**	**(6,861)**

With specific reference to Holding Companies, the NFP at 31 December 2021 was negative at -EUR 275 million. That figure reflects payables to banks of -EUR 16 million, the prepayment of debt relating to the Dauphine Project of -EUR 398 million, the De Agostini S.p.A. convertible bond issue with a value of -EUR 75 million (net of the repurchase of 1,568,934 bonds in 2021), available liquidity of +EUR 149 million and other assets/liabilities of +EUR 65 million, including the investment of excess liquidity in 2021.
At 31 December 2021 the NFP had improved by EUR +85 million with respect to the negative balance at 31 December 2020 Restated, attributable to the combined effect of the following factors:

- net dividends from investee companies of +EUR 68 million;
- cash received from the LDH convertible bond net of the capital increase carried out by LDH (net amount +EUR 59 million);
- cash received from the sale of 2.7 million shares by DeA Communications, amounting to +EUR 49 million;
- the effect of the USD/EUR exchange rate on the prepayment associated with the Dauphine project (-EUR 30 million);
- outlay linked to the purchase of Investendo Due shares totalling -EUR 14 million;
- dividends to shareholders of -EUR 22 million;
- structural costs and financial fees/other of -EUR 25 million

As mentioned earlier, the Net Financial Position is calculated using the figures reported in the financial statements, and is the difference between: (+) cash and cash equivalents, as well as loans, receivables and certain financial assets with changes in fair value recognised in Comprehensive Income (under Other Comprehensive Income) or in the Income Statement; (-) financial liabilities.

The reconciliation statement below shows the key figures in the Consolidated Statement of Financial Position at 31 December 2021 as compared with the amounts included in the Net Financial Position.

Figures in EUR million	**Carrying amount at 31.12.2021**	**of which in Net Financial Position**
INVESTMENTS - NON-CURRENT ASSETS	**576**	**11**
Financial assets at fair value through OCI	*218*	*6*
Financial assets at fair value through profit or loss	*358*	*5*
LOANS AND RECEIVABLES - NON-CURRENT ASSI	**100**	**83**
INVESTMENTS - CURRENT ASSETS	**452**	**77**
Financial assets at fair value through OCI	*390*	*15*
Financial assets at fair value through profit or loss	*62*	*62*
LOANS AND RECEIVABLES - CURRENT ASSETS	**175**	**175**
CASH AND CASH EQUIVALENTS	**911**	**911**
NON-CURRENT FINANCIAL LIABILITIES	**(6,498)**	**(6,498)**
CURRENT FINANCIAL LIABILITIES	**(573)**	**(573)**
Net Financial Position - Group	**(4,857)**	**(5,814)**

The differences seen, in particular between Financial Assets with variations in fair value recognised in Comprehensive Income (under Other comprehensive income) or in the Income Statement, are essentially related to the classification within these items of activities that qualify for inclusion in the Net Financial Positions management indicator in accordance with the Group Accounting Principles; in particular, at 31 December 2021 the most significant differences related to the value of investments in Assicurazioni Generali, in LDH (the parent company of Banijay Group Holding), in funds and in other financial investments.

For information on the use of financial instruments, pursuant to art. 2428, para. 2, point 6-*bis* of the Italian Civil Code, please refer to the Notes to the Consolidated Financial Statements for the year ended 31 December 2021.

* * *

In addition to the commentary on the consolidated results, with the related breakdown by business, see the following websites for details of the financial information for the Group's main businesses, which mainly consist of companies whose shares are traded on regulated markets:

- www.atresmedia.com
- www.igt.com
- www.deacapital.com
- www.generali.com

3.5 Main risks and uncertainties to which the Parent Company and consolidated Group companies are exposed

As mentioned in the first section of the Report on Operations, the Group operates in a number of business sectors and is organised accordingly; each business activity comes under a sub-holding company, which is responsible for the coordination, management and control of all the companies that pertain to it. In addition, companies in the Holding Company structure – including the Parent Company and other directly and indirectly-controlled financial companies – carry out holding company activities in tandem with the above-mentioned businesses.

Given its structure and the international arena in which it operates, the Group is exposed to a number of risks and uncertainties, which can be categorised as either **systemic risks** or **specific risks**.

Such risks may significantly affect the operating performance and financial position of the Parent Company and the other companies included in the Group's Consolidated Financial Statements.

Systemic risks relate to trends in macroeconomic variables in the different countries in which the Group operates, and at global level, including GDP, interest rates, inflation, exchange rates and unemployment, as well as the state of the financial markets – which particularly affects access to capital and return on investment (especially financial investment).

Specifically, with reference to the macro-economic context, it is worth noting that the global spread of COVID-19 in 2020 has not yet ended, despite the gradual return to normality made possible largely by the expansion of the vaccination programme and compliance with health-protection measures. A major cause of macro-economic instability, the pandemic amplified risk factors and made it necessary to act quickly to adopt measures designed to ensure business continuity for the companies belonging to the Group.
In 2021, as in 2020, operational integrity was initially ensured by the swift and widespread adoption of a smart-working policy. Subsequently, and in line with the gradual loosening of legal restrictions on the movement of people, a set of rules to combat and contain the spread of the virus in the workplace was implemented. To support this process, all the technical and organisational measures needed to enable professional staff to return to the group's operating headquarters on a rotational basis were put in place.
In this way, the Group was able to safeguard the governance of its business operations during a period of extreme uncertainty, with a response capacity largely unchanged with regard to a business-as-usual scenario.

The macro-economic situation in 2022 was further complicated by the outbreak of the conflict in Ukraine, which accelerated inflationary pressures throughout the world, significantly reducing GDP growth expectations at the same time.
In addition, the re-emergence of the pandemic in Asia, the acceleration of the withdrawal of accommodative monetary policy measures and resulting interest rate increases, especially in the United States, along with heightened volatility in the financial markets have combined to create significant elements of uncertainty for 2022 which are still difficult to quantify.
In that respect, from the outset the Group has undertaken appropriate initiatives to monitor the potential impact that this might have on its existing portfolio of businesses and their prospects going forward.

Specific risks can be analysed according to individual business areas, and include:

- for the Publishing business, risks connected with the demand for published products (i.e. partworks, general reference and others), the costs of producing these items, the efficiency and effectiveness of logistics systems, and legislative changes;

- for the Media & Communication business, risks connected with the performance of TV broadcasters (in turn dependent on advertising revenues, which are highly sensitive to macro-economic trends), the ability to create new formats to offer the market, the costs of producing programmes and the possibility of travel required to make certain kinds of programme;

- for the Gaming & Services business, risks connected with the maintenance/renewal of existing contracts or licences, the innovation required to launch new gaming and services products, production capacity for new gaming/lottery management systems, the possibility of a technological malfunction (system and/or terminals) that prevents collection of receipts, production costs and fixed-odds sports betting, where the operator bears the bookmaking risk;

- for the Finance sector, risks connected with the day-to-day business of alternative investment, such as the ability to effectively time the selection, management and disposal of investments, and of alternative asset management (handled by DeA Capital Real Estate SGR, DeA Capital Alternative Funds, DeA Capital Real Estate France, DeACapital Real Estate Iberia, DeACapital Real Estate Germany and DeA Capital Real Estate Poland), such as the ability to launch new investment funds, the credibility of asset managers and the efficiency of operational processes designed to regulate the launch and management of investment products and solutions.

Risks for each business, common to all business areas in which the Group is highly diversified, are also associated with the attitude of management, relationships with employees and suppliers, integration policies and debt management.

The specific risks relating to Holding Company activities – in addition to those connected with the management of operations in the business sectors mentioned above and the associated effects on cash flow or dividends – include exposure to specific sectors or investments and the difficulties of identifying opportunities for investments or disposals.

Although we stress the significance of the aforementioned risks for the Group's economic and operating performance and financial position, we have put in place appropriate measures to limit the impact of any serious negative developments.

With regard to systemic risks, in early 2000 the Group started to diversify its investments – both by sector and by geographical area. It now has a widely diversified portfolio of activities combining resilient businesses (such as lotteries and alternative asset management) with others that have good long-term growth prospects (such as training and content production), all with a strong international footprint.

With regard to specific risks, the Group has adopted a modern system of governance for its businesses, facilitating the effective management of complexity and the achievement of the strategic goals of the sub-holding companies and the Group. Specifically, this governance system has set out the procedures for managing relationships between the Parent Company and sub-holding companies, and the responsibilities of the latter concerning the coordination, management and control of all operating companies under their responsibility.

4. Analysis of the Parent Company's operating performance and financial position

In line with current regulatory provisions, De Agostini S.p.A. draws up its annual and interim financial statements in accordance with art. 2423 *et seq*. of the Italian Civil Code, as amended by Legislative Decree 139 of 18 August 2015, implementing Directive 2013/34/EU, which came into force on 1 January 2016 for financial statements starting from that date.

The company closed the financial year ended 31 December 2021 with a net profit of around EUR 48.9 million, an increase on the profit of EUR 41.4 million recorded at 31 December 2020. Its operating performance is summarised in the table below.

in EUR thousand	**31.12.2021**	**31.12.2020**	**Change**
Net revenues	1,583	1,601	(18)
Other income	2,851	1,287	1,564
General expenses and other operating costs	(35,309)	(25,125)	(10,184)
EBITDA	**(30,875)**	**(22,237)**	**(8,638)**
Depreciation and amortisation	(7,006)	(849)	(6,157)
EBIT	**(37,881)**	**(23,086)**	**(14,795)**
Dividends	88,658	87,952	706
Financial income / charges	(9,031)	(21,085)	12,054
Non recurring items	(226)	(10,648)	10,422
EBT	**41,520**	**33,133**	**8,387**
Income tax	7,388	8,241	(853)
Net profit (loss)	**48,908**	**41,374**	**7,534**

Net revenues, which are related to services provided to certain Group companies, have fallen slightly since the previous financial year.

Other revenues and income were extraordinarily high at EUR 1.5 million, as a result of the sale of properties in Paris, to which the increase with respect to the previous financial year can be largely attributed.

The large increase in general expenditure and other management costs of around EUR 10.2 million is largely due to increased personnel costs following the recognition of provisions for several multi-year incentive plans and the reinstatement of staff bonuses which were not paid in the previous financial year given the situation of uncertainty created by the COVID-19 health crisis.
That increase was partially offset by the fall in the cost of medium-long term financing.

Amortisations and write-downs were up significantly, largely owing to the depreciation of a property in Rome recorded at the end of the year at EUR 6.2 million.

In 2021 the Company recorded dividends from equity investments of EUR 88.7 million, recognised under long-term investments, which were approved during the year by the subsidiaries De Agostini Communications (EUR 25 million), DeA Capital (EUR 17.9 million) and IGT (EUR 17.9 million), as well as the associate Camperio SIM (EUR 0.5 million) and Assicurazioni Generali (EUR 29.6 million). A share of the dividends received by IGT, amounting to approximately EUR 2.2 million, was "rebated" to minority interests in the context of the Dauphine project.
Financial income totalled around EUR 6.6 million and financial charges EUR 15.6 million; net financial charges were therefore about EUR 9 million in 2021, representing an increase of EUR 12.1 million on 2020.

This change is mainly attributable to the net income on derivative financial instruments (+EUR 5.6 million) and on foreign exchange (+EUR 4.6 million) recognised during the year, as well as a decrease in interest expense and commissions payable to the banking system and subsidiaries of approximately EUR 2 million.

Write-downs and other non-recurring income (expenses) reflect the depreciation of DeA Fly on account of long-term impairment.

Income tax of EUR 7.4 million was booked for the year, including estimated income for corporate income tax (IRES) purposes of EUR 10.9 million, after deduction of net deferred tax assets/liabilities for a total of EUR 3.5 million.

A summary of the Company's statement of financial position is shown below.

in EUR thousand	**31.12.2021**	**31.12.2020**	**Change**
ASSETS			
Intangible assets	105	67	38
Tangible assets	14,613	18,700	(4,087)
Investments and other long-term securities	2,661,047	2,997,351	(336,304)
Hedging financial derivatives assets	-	124,464	(124,464)
Investments and other short-term securities	534,065	11,101	522,964
Mark-to-market put and call option assets	763	130	633
Trade receivables	176	481	(305)
Financial Receivables from groups companies	8,649	7,262	1,387
Tax receivables due from group companies	8,515	23,275	(14,760)
Other receivables	17,998	8,103	9,895
Cash and cash equivalents	94,130	129,201	(35,071)
Accruals and deferrals	1,885	4,502	(2,617)
TOTAL ASSETS	**3,341,946**	**3,324,637**	**17,309**
LIABILITIES			
Shareholders' equity	2,666,223	2,669,774	(3,551)
Mark-to-market put and call option liabilities	646	270	376
Hedging financial derivatives liabilities	1,646	-	1,646
Provisions for risks and charges	13,291	1,995	11,296
Employee severance indemnities	569	616	(47)
Convertible bond	63,984	68,668	(4,684)
Trade payables	1,465	1,186	279
Financial Payables to groups companies	179,548	150,038	29,510
Tax payables to Group companies	3,413	15,791	(12,378)
Other payables	13,408	4,339	9,069
Loans payable to banks	396,649	410,956	(14,307)
Accruals and deferrals	1,104	1,004	100
TOTAL LIABILITIES	**3,341,946**	**3,324,637**	**17,309**
Net Financial Position	**(496,218)**	**(500,423)**	**4,205**

The Company did not carry out any research and development activities, as defined in art. 2428(3) of the Italian Civil Code, in 2021.

Intangible and tangible fixed assets, totalling EUR 14.7 million at 31 December 2021, mainly reflected the write-down of a property in Rome (-EUR 6.2 million), the allocation of real estate in Novara (+EUR 3.2 million) following the total liquidation of the equity investment in Immobiliare San Rocco S.r.l., the sale of real estate in Paris, with a gain in the income statement of EUR 1.5 million, and the effects of amortisation for the period.

Shareholdings and other long-term securities totalled EUR 2,661.0 million at 31 December 2021, a decrease of EUR 336.3 million on 31 December 2020, mainly due to the net balance of:

- full reinstatement of the amount written down in previous years of the investment in IGT, the intrinsic value of the hedging derivative (collar) entered into as part of Project Dauphine having turned out to be zero (+EUR 124.5 million), and reclassification of the book value corresponding to the two tranches of the derivative maturing in 2022 to current assets (- EUR 162.8 million);
- reclassification of the entire holding in Assicurazioni Generali to current assets (-EUR 312 million);
- purchase of shares in Investendo Due (+EUR 14.4 million);
- write-down of DeA Fly (-EUR 0.2 million).

Investments and other securities under current assets totalled EUR 534.1 million at 31 December 2021, an increase of EUR 523 million on 31 December 2020, mainly owing to:

- reclassification of the book value of the two tranches of the collar on IGT scheduled to mature in 2022 (+EUR 162.8 million);
- reclassification of the entire shareholding in Assicurazioni Generali (+EUR 312 million) and accounting alignment to the overall negative mark-to-market value of the hedging derivative contract entered into on part of the shares held (+EUR 1.6 million);
- liquidation of subsidiary Immobiliare San Rocco (-EUR 3.3 million);
- investment of liquidity in Fondo Quaestio and management of the 4661G portfolios under the contract with Camperio SIM (+EUR 49.7 million).

Financial receivables from Group companies, amounting to EUR 8.6 million at 31 December 2021, consist of existing liquidity at Camperio SIM at the end of the year under the portfolio management contracts signed with the associated company.

At 31 December 2021 the company’s shareholders’ equity decreased by about EUR 3.6 million compared with the figure at the end of 2020, mainly as a result of:

- negative exchange rate differences, net of the related tax effect, related to the dollar loan obtained from Credit Suisse (Pre-Payment Amount), pulled as part of the transaction to hedge the exchange rate risk of the cash flows expected from the settlement of the Collar derivative contract through physical settlement as part of Project Dauphine (-EUR 30 million);
- payment of dividends (-EUR 22.1 million);
- net profit of +EUR 48.9 million for 2021.

Other provisions for risks and charges totalled EUR 13.3 million at 31 December 2021, and reflected provisions for the following:

- a deferred tax provision of EUR 0.2 million (EUR 0.7 million at 31 December 2020);
- multi-year incentive-based plans for staff totalling EUR 12.6 million (EUR 0.8 million at 31 December 2020);
- risks related to equity investments and other long-term investments of EUR 0.5 million (unchanged with respect to 31 December 2020).

The “Convertible bond issue”, totalling EUR 68.7 million at 31 December 2020, relates to the convertible portion (tranche B) of the bond issue launched on 31 December 2009 with a nominal value of EUR 80.5 million and a final maturity date of 31 December 2029.

Following the purchase of treasury convertible bonds, the item decreased by EUR 4.7 million compared with the previous year and is recorded as EUR 64 million at 31 December 2021.

Financial payables to Group companies totalled EUR 179.5 million at 31 December 2021. These relate to two credit lines granted by the subsidiary DeA Communications.

At 31 December 2021 the Group had a negative Net Financial Position of approximately EUR 496.2 million (including receivables and payables due from/to Group companies and investments in Fondo Quaestio and management of the 4661G portfolios through Camperio SIM), an improvement of around EUR 4.2 million on 31 December 2020. The main items that brought about this change are detailed below:

- net dividends from subsidiaries (+EUR 88.7 million);
- negative exchange-rate effect on the dollar-denominated credit line from Credit Suisse (-EUR 30 million);
- dividends paid (-EUR 22.1 million);
- acquisition of stake in Investendo Due (-EUR 14.4 million);
- acquisition of treasury convertible bonds (-EUR 4.7 million);
- operating/other cash flow (-EUR 13.3 million).

- **Intercompany transactions**

In 2021 the Company carried out consultancy and service activities for some of its subsidiaries relating to a number of contracts for the provision of administrative, financial, legal, corporate and tax-related services. These activities were carried out under normal market conditions.

During the same year, the Company also served as Consolidator for other Group companies in respect of the national tax consolidation scheme and joined the VAT Group set up by the parent company B&D Holding for the period 2020-2022.

The table below shows details of the financial transactions between the Company and Group companies. The revenue figures also include payments for activities carried out by employees of the company in their capacity as directors of subsidiaries.

in EUR thousand	**Revenues**		**Costs**	
Company Name	**Type**	**Amount**	**Type**	**Amount**
Parent company				
B&D Holding S.p.A.	Admin. and general services	125	Admin. and general services	46
Subsidiaries				
AS 5 S.r.l.	Admin. and general services	54	Admin. and general services	832
De Agostini Editore S.p.A.	Admin. and general services	1,111	Admin. and general services	1,085
	Financial incomes	21	Rents liabilities and other costs for leases and rentals	549
De Agostini Publishing S.p.A.	Admin. and general services	144	Admin. and general services	6
De Agostini Scuola S.p.A.	Admin. and general services	38	Admin. and general services	5
Betterly S.r.l.			Rents liabilities and other costs for leases and rentals	1
DeA Capital Partecipazioni S.p.A.	Admin. and general services	5		
DeA Capital S.p.A.	Admin. and general services	20	Admin. and general services	5
			Rents liabilities and other costs for leases and rentals	273
DeA Communications S.A.	Admin. and general services	224	Financial charges	3,150
DeA Factor S.p.A.	Admin. and general services	82		
IGT PLC	Admin. and general services	16		
IGT Lottery S.p.A.			Admin. and general services	432
Associates				
DeA Planeta Libri S.r.l.	Admin. and general services	1	Admin. and general services	40
Camperio SIM S.p.A.			Financial charges and other financial costs	189

Transactions with subsidiaries in existence at the year-end are described in the Notes to the Financial Statements for the year ended 31 December 2021.

5. Intercompany and related party transactions

With reference to intercompany and related-party transactions, Group companies settled the exchanges of goods and services concerned under normal market conditions. These transactions mainly involved goods, administrative and financial services, specific advisory services, and general services.

A number of intercompany corporate transactions were also carried out in 2021, mainly concerning dividend payments, capital increases and the transfer of equity investments. In the Consolidated Financial Statements for the year ended 31 December 2021, the impact of the above intercompany transactions was eliminated.

Of particular note are the transactions between group companies of De Agostini S.p.A. in relation to the tax credit and debit positions transferred to the latter as part of the national tax consolidation scheme.

It should also be pointed out that the Company joined the VAT Group set up by parent company B&D Holding on 1 January 2020 for the period 2020-2022.

6. Treasury shares

Pursuant to art. 2428(3)(3) and (4) of the Italian Civil Code, at 31 December 2021 DeA S.p.A. was the holder, within the meaning of the provisions of art. 2359-bis of the Italian Civil Code, of 357,881 treasury shares, corresponding to about 0.86% of share capital, which have not been subject to any change during the year.

Pursuant to art. 2428(3)(3) and (4) of the Italian Civil Code, at 31 December 2021 the company did not hold, in its own name or through a trust company or intermediary, any shares of the parent company B&D Holding and in 2021 the Company did not purchase and/or sell any shares of the latter, including through a trust company or intermediary.

7. *Corporate governance*

In order to ensure effective management of its growing organisational complexity and to achieve the strategic objectives of the sub-holding companies and of the Group, specific corporate governance guidelines were established and implemented, particularly with reference to relations between the holding company, De Agostini S.p.A., and the sub-holding companies. The main aspects of these corporate governance guidelines are stated below.

- **Role of the holding company**

The holding company owns business equity investments and financial assets, which in turn are organised into sub-holding companies. The holding company manages and co-ordinates the sub-holding companies, reflecting a natural business strategy pursued through a group combination, and exercising the powers and duties of control as the entity responsible for consolidating the financial statements, and/or for exercising control pursuant to art. 2359, para. 1 of the Italian Civil Code.

The limits on the performance of these activities are established through a fair balance between the interests of the Group and the interests of the individual sub-holding companies, in accordance with the principles of sound corporate and business management of the sub-holding companies.

- **Role of the sub-holding companies**

The sub-holding companies are responsible for coordinating, managing and controlling the activities of all operating entities under their responsibility, and are accountable to the holding company for the results of these activities.

- **Relationship between the holding company and the sub-holding companies at 31 December 2021**

  - **Sub-holding company for the Group's Publishing business (De Agostini Editore)**

As regards De Agostini Editore, since the duties of Chair are currently assigned to an administrator of De Agostini S.p.A. and the role of the CEO is currently assigned to one of the Vice-Chairs of De Agostini S.p.A., offices serving to link the holding company and the sub-holding company are performed directly by the Board of Directors of the subsidiary.

  - **Sub-holding company for the Group's Gaming & Services business (IGT)**

The link between IGT and the holding company is assured by the fact that the Chair and CEO of the holding company, De Agostini S.p.A., also serve on the subsidiary's Board of Directors.

  - **Sub-holding company for the Group's Finance business (DeA Capital)**

As regards DeA Capital, since the duties of its chairman are currently assigned to the CEO of De Agostini S.p.A. and the role of the CEO is currently assigned to the General Manager of De Agostini S.p.A., functions linking the holding company and the sub-holding company are performed directly by the Board of Directors of the subsidiary.

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After the close of 2021, some changes took place within the Board of Directors of certain sub-holding companies, which in each case confirmed the presence of executive directors of the Holding company on the boards of the sub-holding companies.

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In addition to the institutional functions noted above, the continual flow of information and discussion between the senior management of the holding company and the senior managers of the sub-holding companies is a key element in the proper, efficient and harmonious management of these businesses.

8. Significant events after the year-end and outlook

After the close of 2021:

- On 25 February 2022, PostePay S.p.A. (subsidiary of Poste) signed a binding agreement with IGT Lottery S.p.A. on the purchase of 100% of the capital of LIS Holding S.p.A. and its subsidiary LIS Pay S.p.A., Gruppo IGT companies principally operating in the payment services sector. The price of the purchase is EUR 700 million.
  The transaction is subject to the approval of the Bank of Italy, the antitrust authority and the Ministry for the Economy and Finance (under the "Golden Power" rules); it is therefore expected to be concluded at the end of the second quarter/start of the third quarter 2022.
- On 10 May 2022, the special purpose acquisition vehicle ("SPAC") Pegasus Entrepreneurs announced plans to buy FL Entertainment, a holding company headed by the French entrepreneur Stéphane Courbit which holds a relative majority in Banijay Group and BetClic Everest Group. The resulting company, which will take the name of FL Entertainment, will be listed on the Amsterdam Stock Exchange.
  In the context of this transaction, De Agostini will contribute, as will the other minority shareholders of the company (Vivendi and Fimalac), its own indirect shareholding in Banijay Group to FL Entertainment in exchange for a share in the company of approximately 5%, and a vendor loan with a maturity date of November 2023.
  The transaction is expected to close by the end of the second quarter of 2022.
- As previously forecast, in the first few months of 2022 six more derivative contracts were signed. These took the form of hedge transactions on 13,500,000 Assicurazioni Generali shares.
  Furthermore, in relation to hedging operations on 18,500,000 Assicurazioni Generali shares carried out between the end of 2021 and the beginning of 2022, in May De Agostini S.p.A. divested all of the 18,500,000 shares via physical settlement for a price of around EUR 339 million.
- In May 2022 the first tranche of the Dauphine project matured for a total of 4,500,000 shares. That tranche was physically settled with the transfer of all the IGT 4,500,000 shares to Credit Suisse for a consideration of USD 114.4 million (put option strike price). That amount was offset by clearing the same amount of part of the loan held with Credit Suisse and related interest due at that date. As a result of that share transfer, De Agostini S.p.A. now holds 98,922,324 IGT shares.

Regarding the outlook, the macro-economic situation in 2022 was further complicated by the outbreak of the conflict in Ukraine, which accelerated inflationary pressures throughout the world. This has led to a significant fall in GDP growth expectations globally and in Europe in particular. In addition, the re-emergence of the pandemic in Asia, the accelerated withdrawal of accommodative monetary policy measures and resulting interest rate increases (especially in the United States), along with heightened volatility in the financial markets, have combined to create significant elements of uncertainty for 2022 which are still difficult to quantify.

Despite this complex situation, for the current year we expect the performance of the Group's businesses to be largely stable, partly thanks to the timely measures we put in place to contain the effects of the above-mentioned challenges.
The Group will continue to streamline its portfolio, consolidate the competitive positioning of its various businesses, strive for operational excellence and strengthen its capital structure.

In this context, De Agostini S.p.A will continue to focus on developing its businesses, not least with a view to taking advantage of any opportunities that may present themselves in this period of uncertainty. Furthermore, we expect the company to return to normal in terms of the dividends received from its subsidiaries.

The company will also continue, as it did in 2021, to focus on managing the effects that the COVID-19 crisis could have on its subsidiaries and will continue with strengthened resolve to implement all the initiatives necessary to contain that impact, bearing in mind that the situation appears to be improving considerably, at least in Europe.

9. Proposal to approve the Annual Financial Statements for the year ended 31 December 2021 and allocation of profits

Dear Shareholders,

We believe that the Report on Operations, which accompanies the Company's Annual Financial Statements and the Group's Consolidated Financial Statements, sets out clearly the performance and results achieved for the financial year ended 31 December 2021.

De Agostini S.p.A. had a net profit of EUR 48,908,466.07 in 2021 (a net profit of EUR 41,374,062.18 in 2020).

The Board of Directors proposes distribution of a dividend of EUR 26,959,648.20 under Article 27 of the Articles of Association, with EUR 1,771,782.90 to be allocated to the reserve for net foreign exchange gains, as provided for by Article 2426(1) point 8-bis of the Italian Civil Code, and EUR 20,177,034.97 to the extraordinary reserve.

Given the availability of EUR 6,852,292 in the ordinary net income reserve, the Board of Directors also proposes partially distributing that reserve for an amount of EUR 3,076,011.27.

Therefore, the Board of Directors' proposal consists of a total dividend, including the partial distribution of the net ordinary income reserve, of EUR 30,035,659.47, or EUR 0.73 per eligible share.

In view of the foregoing, we submit the following motion for your approval:

"The De Agostini S.p.A. shareholders' meeting,

- having reviewed the Company's Annual Financial Statements for the year ended 31 December 2021, which report a net profit of EUR 48,908,466.07 (a net profit of EUR 41,374,062.18 in 2020),
- having reviewed the Report on Operations which accompanies the Financial Statements for the year ended 31 December 2021,
- having taken note of the reports by the Board of Statutory Auditors and the independent auditors,

hereby passes a resolution to

1. approve the Financial Statements of De Agostini S.p.A. for the year ended 31 December 2021 comprising the Statement of Financial Position, the Income Statement, the Cash Flow Statement, the Notes to the Financial Statements, and the related Report on Operations;
2. approve the proposal to distribute a dividend amounting to EUR 26,959,648.20, to be taken from the net profit realised in 2021, assigning EUR 1,771,782.90 to the reserve for net foreign exchange gains and the remaining EUR 20,177,034.97 to the extraordinary reserve;
3. approve the proposal for a partial distribution of the ordinary net income reserve for an amount of EUR 3,076,011.27."

Novara, 25 May 2022

FOR THE BOARD OF DIRECTORS
The Chairman
Marco Drago