Management Report
First nine months of 2021

Management Report – First nine months of 2021

1. Financial information – First nine months of 2021

1.1 Consolidated results

Financial indicators

These key figures are extracted from TF1 group consolidated financial data. The results below are presented in accordance with IFRS 16.

The results below are presented using the segmental reporting structure as described in Note 3 to the consolidated financial statements.

(€m)	9m 2021	9m 2020
Revenue	**1,651.2**	**1,361.4**
Group advertising revenue	*1,162.5*	*960.8*
Revenue from other activitites	*488.7*	*400.6*
Current operating profit/(loss)	223.1	125.6
Operating profit/(loss)	217.9	125.6
Net profit/(loss)	147.0	77.1
Operating cash flow after cost of net debt, income from net surplus cash, interest expense on lease obligations and income taxes paid	409.9	229.7
Basic earnings per share from continuing operations (€)	0.70	0.37
Diluted earnings per share from continuing operations (€)	0.70	0.37
Shareholders' equity attributable to the Group	1,653.5	1,627.9
Net surplus cash/(net debt) of continuing operations	36.3	-70.7

	9m 2021	9m 2020
Weighted average number of ordinary shares outstanding ('000)	210 392	210 311
Closing share price at end of period (€)	8.5	5.2
Market capitalisation at end of period (€bn)	1.8	1.1

Income statement contributions – continuing operations

The results below are presented using the segmental reporting structure as described in Note 3 to the consolidated financial statements.

(€m)	Q3 2021	Q3 2020	9m 2021	9m 2020	CHG. €M	CHG. %	9M 2019
TF1 group advertising revenue*	360.0	345.8	1162.5	960.8	201.7	21.0%	1 158.4
Revenue from other activities*	162.5	132.1	488.7	400.6	88.1	22.0%	456.2
Media **	447.6	424.8	1 431,0	1 209.8	221.2	18.3%	
*Advertising revenue***	*360.0*	*345.4*	*1162.4*	*960.4*	*202.0*	*21.0%*	
*o/w digital advertising revenue***	*30.6*	*31.2*	*93.6*	*83.9*	*9.8*	*11.6%*	
Newen Studios**	74.9	53.1	220.2	151.6	68.6	45.3%	
Consolidated revenue*	**522.5**	**477.9**	**1651.2**	**1361.4**	**289.8**	**21.3%**	**1 614.6**
Media **	46.5	51.0	193.9	121.8	72.1	59.2%	
Newen Studios**	7.5	6.8	29.2	3.8	25.4	x7.5	
Current operating profit*	**54.0**	**57.8**	**223.1**	**125.6**	**97.5**	**77.6%**	**184.4**
*Current operating margin**	*10.3%*	*12.1%*	*13.5%*	*9.2%*	*-*	*+4.3pts*	*11.4%*
Operating profit*	**51.2**	**57.8**	**217.9**	**125.6**	**92.3**	**73.5%**	**184.4**
Net profit attributable to the Group*	**38.6**	**38.7**	**147,0**	**77.1**	**69.9**	**90.7%**	**117.8**
Cost of programmes for the 5 channels*	(208.8)	(183.0)	(657.5)	(521.8)	(135.7)	26.0%	(659.7)
Cost of programmes***	(218.1)	(191.3)	(684.5)	(546.7)	(137.8)	25.2%	(679.9)

**Published data*

***Proforma data*

****"Cost of programmes" is a new indicator. which replaces "Cost of programmes for the 5 channels" from 31 March 2021. Unlike the previous indicator. it includes costs associated with non-linear activities (MYTF1. LCI Digital) and with the theme channels (TV Breizh. Ushuaïa TV and Histoire TV).*

Analysis of cost of programmes

(€m)	9m 2021	9m 2020
Total cost of programmes	**(684.5)**	**(546.7)**
TV dramas / TV movies / Series / Theatre	(244.7)	(178.0)
Entertainment	(178.8)	(162.1)
News (including LCI)	(102.3)	(97.9)
Movies	(96.3)	(88.3)
Sport	(53.5)	(13.1)
Kids	(8.9)	(7.3)

1.2 Significant events of the first nine months of 2021

January

22 January 2021

Newen modifies its organization to better reflect its “content first strategy” and support its international expansion. A new entity (Newen France) is created by bringing Telfrance, CAPA and 17 Juin together; the entity is headed up by Romain Bessi, Newen Managing Director.

February

10 February 2021

Bouygues Telecom and the TF1 group sign an agreement enabling advertisers on the Group’s TV channels to benefit from Bouygues Telecom’s data and technological expertise in segmented TV.

Jumbodiset enters into exclusive discussions with the TF1 group with a view to acquiring TF1 Games and Dujardin, the leading toy and game publishers in France.

19 February 2021

Newen marks a further step in its international expansion by extending its footprint in the UK. Ringside Studios, the UK production company founded by Newen in 2020 with award-winning producer Gub Neal, adds a new dimension with the acquisition of an equity stake in Fictionhouse and a development deal with 44 Drama. Ringside Studio also brings Patrick Irwin on board as executive producer.

The TF1 group is ramping up its support for young people as never before. To help young people through the crisis we have launched “Insight Week” (Semaine Découverte), designed to introduce school students to broadcasting and take them behind the scenes at a major media group. The idea is to enable a number of young people who have been unable to do work experience in a company because of the Covid crisis to find out about the broadcasting professions and go behind the scenes at the TF1 group.

March

5 March 2021

The TF1 group unveils its very first intake to the “Expertes à la Une” program, developed by our News division to increase the representation of women experts in news coverage on TF1 and LCI. With Elisabeth Badinter as honorary patron, the program welcomes 15 professional women from sectors from a range of sectors including healthcare, medical research, the criminal justice system, policing, artificial intelligence and entrepreneurship (see section 1.5 of this report).

23 March 2021

The TF1 Group demonstrates its commitment to the inclusion of people with disabilities by offering an audio description system for the first time in the history of the French football team during the France-Ukraine match on 24 March.

31 March 2021

LCI announces the arrival of Ruth Elkrief, one of France's leading political journalists. She will strengthen the channel's team of reporters a few months before the regional elections and the 2022 presidential election.

April

15 April 2021

The TF1 group announces the closing of the sale of TF1 Games and Dujardin, France's leading toy and games publishers, to Jumbodiset.

27 April 2021

Newen maintains its strong international growth momentum by acquiring a majority stake in iZen — a key independent production group in Spanish drama and factual entertainment. By doing so, Newen is extending its presence in the French and English-speaking markets to include a leading position in the Spanish-speaking world.

May

6 May 2021

The TF1 group, through its TF1 and LCI channels, partners the 2nd Annual Gender Parity Forum ("Assises de la Parité"), with the theme "How can we put (back) gender parity at the heart of corporate strategy in a time of crisis?".

12 May 2021

Newen takes a minority stake in Spanish production company Kubik Films, founded in 2016 by talented brothers Alberto and Jorge Sánchez-Cabezudo. The investment in this highly creative company is a new milestone in Newen's ongoing international expansion, and comes with an exclusive distribution agreement. Kubik Films is currently working on a number of series projects for different platforms.

17 May 2021

TF1, M6, Bouygues and RTL announce that they have signed agreements to enter into exclusive negotiations to merge the activities of TF1 and M6, and create a major French media group. The new group would be well-positioned to tackle the challenges of heightened competition from global digital platforms now operating on the French advertising market and producing quality audiovisual content. The deal is due to be finalised by year-end 2022, after consultation with employee representative bodies and regulatory approvals from the French competition authority (ADLC) and broadcasting industry regulators (CSA), and once shareholder meetings of both companies have taken place.

June

17 June 2021

The TF1 group and Free announce that they have signed an agreement to renew, from April 2021, the distribution by Free of all of TF1's TV channels (DTT and theme channels), as well as its non-linear services (MYTF1, TFOUMAX).

23 June 2021

Gilles Pélisson decides to revamp the Group's organisation by merging the Unify digital division with the activities of the Broadcasting segment with a view to boosting synergies with our web publishers, and keeping our Business Solutions and social e-commerce activities on a growth path.

25 June 2021

Global media content company A+E Networks acquires a 35% stake in the Newen subsidiary Reel One. The investment will allow Reel One to step up its growth in production and distribution in North America, and open up new opportunities to produce TV movies and explore other sources of collaboration.

28 June 2021

The TF1 group receives seven awards at the 10th edition of the Deauville Green Awards, the international festival of film production on social responsibility and eco-innovation. Most notably, it won the Golden Green Award and the Documentary Grand Prize for its documentary *Les nanosurvies, les pouvoirs invisibles de la nature*, co-produced by Ushuaïa TV.

July

8 July 2021

Following the press release of 17 May 2021 relating to the proposed merger between Groupe TF1 and Groupe M6, the employee representative bodies of Groupe Bouygues, Groupe TF1 and Groupe M6 issued their favourable opinions on the proposed merger on 24 June 2021.

Groupe Bouygues and RTL Group thus announced the signing of agreements relating to the merger between Groupe TF1 and Groupe M6.

The completion of the transaction remains subject to the usual condition precedents, in particular the authorisations of the competent authorities and the general meetings of Groupe TF1 and Groupe M6. The transaction is aimed to close by the end of 2022.

19 July 2021

In a commitment to supporting French and European film-making, TF1 Group signs a ground-breaking agreement with film industry bodies. Key features of the agreement include: increased spend, the spread of minimum spend across all Group channels, commitment to diversity, extended and modernised on-screen exposure of films.

September

3 September 2021

TF1 Group, which has broadcast Rugby World Cups since 1991, is very pleased to announce the renewal of its partnership with World Rugby. The Group will broadcast the Women's Rugby World Cup 2021, played in 2022, and the Men's Rugby World Cup 2023. The events will be held in New Zealand and France respectively.

15 September 2021

Newen acquires a majority stake in German production company, Flare Film. It marks a new step in Newen's international expansion strategy. This is an important milestone for the Group given the size and appeal of the German market, as well as its creativity. Newen now actively operates in the main European markets.

30 September 2021

TF1 Media Lab chooses six start-ups to join the new season of the TF1 Group accelerator programme in September. They will work within the ecosystem of Station F, the world's biggest start-up campus. This new season – the seventh since the programme first launched at Station F in January 2018 – reflects TF1 Group's commitment to the next generation of entrepreneurs. To date, the programme has supported more than 30 start-ups.

1.3 Analysis of consolidated results

The results below are presented using the new segmental reporting structure as presented in Note 3 "Operating segments" to the consolidated financial statements, and in accordance with IFRS 16.

Revenue

Consolidated revenue of the TF1 group for the first nine months of 2021 amounted to €1,651.2 million, a sharp increase of €289.8 million year-on-year (+21.3%[1]). It was also higher than the level reached at end-September 2019 (€1,614.6 million).

Group advertising revenue was €1,162.5 million, a year-on-year rise of €201.7 million (+21.0%). Demand for TV advertising screens increased versus a very high comparative in Q3 2020.

Revenue from other activities amounted to €488.7 million, up €88.1 million (+22.0%). This sharp increase, which concerns both content production activities at Newen Studios and music and advertiser services, reflects the success of the Group's diversification strategy.

Cost of programmes and other current operating income/ expenses

Cost of programmes

TF1 Group's cost of programmes reached €684.5 million, an increase versus the first nine months of 2020, a year which was marked by substantial cost savings against the backdrop of Covid-19, but in line with 9m 2019 levels. During the 2021 back-to-school period, in a buoyant advertising market, the Group positioned its spend on successful programmes in drama and entertainment, thereby improving its targeted audience share.

Other income, expenses and depreciation, amortisation and provisions

Other expenses and depreciation, amortisation and provisions amounted to €743.6 million at end-September 2021, higher than the 9M 2020 figure of €689.1 million which reflected cost savings amid the Covid-19 crisis.

Current operating profit

Current operating profit for the first nine months of 2021 totalled €223.1 million, up €97.5 million year-on-year (+77.6%) and an increase of €38.7 million versus 2019 (+21.0%).

For the first nine months of 2021, the current operating margin was 13.5% (11.8% excluding government support), versus 9.2% in 2020 and 11.4% in 2019, representing the highest margin in five years. It includes €27.7 million of government support, of which €6.7 million in Q3 2021.

Operating profit

Operating profit came to €217.9 million, after external expense of €5.2 million relating to the proposed merger between TF1 and M6.

Net profit

Net profit attributable to the Group was €147.0 million, up €69.9 million year-on-year.

[1]On a constant structure basis and at constant exchange rates, consolidated revenue was up 21.9%.

Financial position

Shareholders' equity attributable to the Group was €1,653.5 million at 30 September 2021 out of a balance sheet total of €3,493.7 million.

The Group reported net surplus cash of €36.3 million at 30 September 2021 (net debt of €35.7 million including lease obligations), versus net debt of €0.7 million at 31 December 2020 (net debt of €93.1 million including lease obligations).

As of 30 September 2021, TF1 had confirmed bilateral bank credit facilities of €1,100 million, including €190 million for Newen Studios.

Those facilities were backed up by a cash pooling agreement with the Bouygues Group.

As of 30 September 2021, drawdowns under those facilities amounted to €94 million, all of which related to Newen Studios.

Significant events after the reporting period

11 October 2021

In an effort to support changing viewing habits, TF1 Group is augmenting its audience services and trialling an extended replay offer without advertising breaks: MYTF1 MAX.

The paid service will provide audiences with computer, mobile and tablet access to live broadcasts from TF1 Group channels and thousands of hours of programmes on replay in High Definition (HD) to deliver an enhanced viewing experience. Audiences will also enjoy ad-free replays.

The add-on service is an extension of the existing MYTF1 package. The latter will remain free of charge and continue to show programmes on replay as well as live channels and its AVOD offering.

1.4 Segment information

Media

Revenue

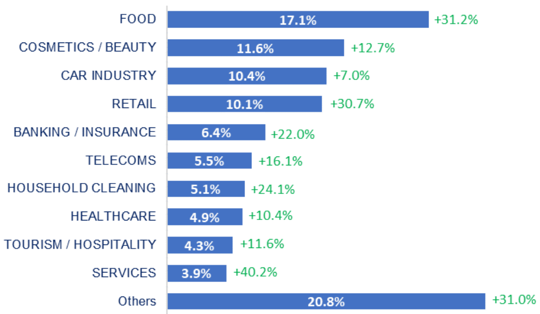
Revenue for the Media segment reached €1,431.0 million, an increase of €221.2 million (+18.3%).

Media segment advertising revenue for the first nine months of 2021 was up 21.0% at €1,162.4 million. An improved economic climate is driving favourable trends, with advertisers still attracted to the pulling power of TV. Revenue has also been boosted by the efforts of the ad sales house, particularly day slots such as access prime time where we are gaining audience share. Digital advertising revenue amounted to €93.6 million, up €9.8 million on the first nine months of 2020, driven mainly by MyTF1.

Revenue from other Media segment activities increased by €19.2 million year-on-year, boosted in particular by a recovery in advertiser services.

Gross revenue for the TF1 group's free-to-air channels for 9M 2021 was up 22.4% versus 9M 2020.

Trends in gross advertising spend (excluding sponsorship) by sector for the first 9 months of 2021 are shown in the following chart.



Source: Kantar Média, 9M 2021 vs. 9M 2020.

Current operating profit

The Media segment reported current operating profit of €193.9 million, a year-on-year rise of €72.1 million, generating a current operating margin of 13.5% (a 3.4-point increase year-on-year).

Media audience ratings[1]

Daily viewing time remained steady in the first nine months of 2021. Despite declining year-on-year, it was up on a two-year basis across all target audiences. It reached 3 hours 36 minutes for individuals aged 4+, up 8% versus 2019. Daily viewing time for the "women aged under 50 purchasing decision makers" (W<50PDM) target audience was 3 hours and 1 minute at end-September 2021, an increase of 1% over two years. In the 25-49-year-olds target audience, daily viewing time totalled 2 hours 53 minutes, up 1% compared with the same period in 2019.

Since April 2020, the Mediamat audience metrics have included viewing outside the home on any device (such as TV sets in second homes, bars, workplaces or railway stations, and on computers and smartphones). TV viewing within the home on other internet-enabled screens (computers, tablets, smartphones, etc) is due to be incorporated in Médiamétrie audience metrics beginning of 2023.

In a highly competitive environment with heavy third quarter newsflow in sport and politics, TF1 Group continued to attract and engage with a majority of French people through its premium offer. This performance is demonstrated by the very high audience numbers in the first nine months of 2021:

- 33.0% audience share of W<50PDM (+1.2pt year-on-year);
- 30.0% of 25-49-year-olds (+0.8pt year-on-year).

[1] *Source: Médiamétrie*

TF1

TF1 delivered an excellent performance during the first nine months of 2021, partly owing to a rich and diverse back-to-school line-up. Thanks to its premium content strategy, particularly in French drama, the channel brings people together across all programme genres and audiences in a unique way. At end-September 2021, TF1 achieved an audience share of 19.8% among individuals aged 4+ (+0.8pt year-on-year) and 22.5% among W<50PDM (+1.1pt year-on-year).

At end-September 2021, the channel earned 72 of the top 100 ratings among individuals aged 4+, and 80 of the top 100 ratings among W<50PDM, thanks to its extensive and varied line-up across a range of programme genres:

- **French drama:** We are more committed than ever to putting French drama at the heart of our editorial strategy. Following the successes of first-half 2021 (the smash hit, HPI, with up to 12.4 million viewers and La Promesse with up to 8.3 million viewers), French drama programme spend was once again reflected in high audience numbers in third-quarter 2021. This performance was exemplified by the Mensonges drama which attracted up to 6.7 million viewers, representing 32% of the W<50PDM audience share on average.

- **Sport:** July was typified by the success of the Euro 2020 football tournament final matches, including the Italy-Spain semi-final which attracted up to 8.5 million viewers on TF1, representing 40.6% of individuals aged 4+.

- **Entertainment:** The 2021 back-to-school period was also characterised by the successful revival of flagship brands. This included a new season of *Koh-Lanta* which attracted up to 6.8 million viewers and 45.8% of the W<50PDM audience share. The first episode of this season attracted 45.7% of 25-49-year-olds. In parallel, the new season of *Danse avec les stars* attracted up to 5 million viewers and 42% of the W<50PDM audience share, reflecting the successful repositioning of these programmes to new broadcast days.

- **News:** TF1 remains the go-to channel for news, with the success of the evening news, which attracted up to 8.8 million viewers in third-quarter 2021, representing a 33.9% audience share. Events such as broadcasts by President Macron also engaged with large audience numbers. This included the Bastille Day (14 July) broadcast by President Macron which attracted 9.4 million viewers (35.4% of individuals aged 4+).

- **Movies:** The movie offering proved very popular over the period, as demonstrated by the success of French films such as *Le sens de la fête* (7.5 million viewers, 31.2% audience share) and, *Bienvenue chez les Chtis* (6.3 viewers) or *Le Grand Bain* (32% W<50PDM audience share).

DTT channels

During the first nine months of 2021, TF1 Group's DTT arm — TMC, TFX, TF1 Séries Films and LCI — maintained its target audience leadership with combined audience shares of 10.5% among W<50PDM (+0.1pt year-on-year) and 9.4% among 25-49 year-olds (–0.1pt year-on-year).

TMC

TMC confirmed its market-leading status among DTT channels and as France's no.4 free-to-air TV channel among 25-49-year-olds, with audience share of 4.4%, up +0.4pt versus 2020. TMC is also France's no.4 free-to-air TV channel among W<50PDM (4.3%, +0.3pt vs. 2020).

This performance is particularly underpinned by a record back-to-school period:

- The success of *Quotidien*, which in September, attracted a 14% audience share among 25-49 year-olds and maintained its status as France's no. 1 talk show;
- The success of its new *21h Médias* programme which attracts 1.5 million viewers;
- A sensational movie line-up, with up to 1.4 million viewers tuning in for the *Star Wars* saga.

TFX

Despite a summer period filled with high-profile events on incumbent channels (*Euro 2020* football tournament, *Tour de France* cycling race and the Olympic Games), TFX confirmed its ranking as France's no.3 DTT channel among W<50PDM (3.4% audience share at end-September, +0.1pt vs.2020).

The back-to-school line-up includes the return of the channel's flagship reality shows: *Mamans & célèbres* and *La bataille des couples,* which both attract 7% of the W<50PDM audience share.

TF1 Séries Films

This September, TF1 Séries Films turned in an excellent performance, up +0.5pt during the month among individuals aged 4+. In third-quarter 2021, the channel posted an increase of +0.2pt among all individuals aged 4+, with a 2.2% audience share.

American series, such as *Law and Order: Criminal Intent* (0.6 million viewers) and *CSI: NY* (0.7 million viewers), performed well in the evening slot. Movies also continued to attract viewers through their extensive offering and several weekly evening showings.

LCI

LCI retained its no. 3 ranking among free-to-air TV news channels in France (1.1% audience share among individuals aged 4+ and 0.7% audience share of ABC1s).

The special debates organised for the 2022 Ecologist ticket presidential primaries attracted a strong audience (1.3%).

Theme channels (TV Breizh, Histoire TV and Ushuaïa TV)

All three theme channels saw record audience ratings during the first nine months of 2021:

- TV Breizh retained its status as the pay-TV market leader for the 9th time in a row with a 0.9% share of individuals aged 4+, and also as market leader with the W<50PDM target audience.
- Histoire TV ranks no. 3 among documentary channels for individuals aged 4+, and even ranking no. 2 among ABC1s. The channel saw a 14% increase year-on-year among individuals aged 4+.
- Ushuaïa TV increased its audience by 23% year-on-year among individuals aged 4+. The channel continued its special event-driven strands focused on themed programming cycles (Biodiversity Month, Polar Summer, etc.).

Revenue and current operating profit for TV Breizh were up year-on-year, mainly on the back of advertising revenue growth. However, revenue and current operating profit for the other two channels were down due to lower broadcast revenue.

e-TF1

The TF1 group is pursuing its digital expansion strategy in line with linear activities.

e-TF1 revenue was up sharply versus the first nine months of 2020, due to higher advertising and interactivity revenue.

The uptick in third-quarter 2021 video viewings (+20%) was supported by a surge in advertising revenue for the MyTF1 platform.

Interactivity also trended upwards, driven by programmes such as *Koh-Lanta*.

At end-September 2021, operating profit increased compared with the same period a year earlier.

Websites

On the Marmiton website, the number of sessions hit 500 million by end September 2021. The number of sessions on the Doctissimo website was 240 million. Despite a decrease versus last year, both sites were confirmed as market leaders in their special-interest category.

Advertising services

Advertising services revenue was up year-on-year at end-September, as agencies Ykone and Magnetism resumed their influencer marketing activities.

Revenue from other activities

Music/events

Revenue was up slightly versus the first nine months of 2020, reflecting:

- Revenue growth at Play 2, driven by in-store and digital sales.
- This increase was partially offset by lower revenue from live shows, due to ongoing public health restrictions.

E-commerce

E-commerce revenue (subscription box sales) increased slightly year-on-year at end-September, largely driven by the *My Little Paris* and *Gambettes Box* lines.

Newen Studios

The Newen Studios group, which has operations in eight countries, produces and distributes content across several genres such as drama, unscripted shows, cartoons, documentaries, TV movies, and feature films.

The Newen Studios segment posted revenue of €220.2 million for the first nine months of 2021, up 45.3% year-on-year. Excluding the impact of changes in structure from the deconsolidated Games business, Newen Studios reported a 57.8% increase in revenue.

Business at Newen Studios during the first nine months was boosted by a catch-up effect, with some productions scheduled for 2020 (especially in Canada and Belgium) having been postponed.

Newen is stepping up its international growth strategy, as reflected in its acquisition of a majority stake in German production company, Flare Films, in September, after the acquisition of Spanish production studio, iZen, in April. Overall revenue at Newen Studios trended upwards, with activities outside France accounting for 47.2% of total revenue.

At end-September, filming was completed for Liaison, the first major French-English series to be commissioned by Apple TV+ in Europe, which is co-produced by Newen subsidiaries, Léonis Productions and Ringside Studios. September also saw the start of Capa Drama's shooting of the Canal+ series Marie-Antoinette. For the first nine months of 2021, the book of orders increased to more than 1,800 hours.

Distribution activities are also buoyant, as witnessed by new series, HPI, which is already distributed by Newen in 50 countries outside France and has been acquired for a prime-time slot on Rai Uno.

The Newen Studios segment reported current operating profit of €29.2 million. As such, the segment returns to a current operating margin of 13.3%, in line with normative performance.

1.5 Corporate social responsibility

Sustainable society

TF1 PUB Campus Ecoresponsabilité

On 2 July, TF1 PUB organised an event for the advertising market at La Seine Musicale. The focus topic was "Environment and companies: successfully accelerating their transition to a more sustainable society". The event gathered a range of environmental specialists, communications experts and professionals from various sectors. Discussions centred on responsible companies, communication in an eco-responsible world and shared initiatives led by the advertising industry.

Biodiversity

At the International Union for Conservation of Nature (IUCN) held in Marseille in September 2021, Newen hosted a screening of the documentary, *Animal*, produced by Cyril Dion. It showcases the issue of climate change and the mass extinction of species.

Parallel to this, in September, Ushuaïa TV offered a special line-up of programmes focusing on the protection of biodiversity and ecosystems. Throughout the month, the active TV and radio presenter, Mathieu Vidard, hosted the event line-up, presenting six thematic evenings on a series of first-run films and documentaries.

European Sustainable Development Week/TFOU

During European Sustainable Development Week 2021, TFOU created a morning line-up dedicated to children from Monday 20 to Sunday 26 September. The programmes continued the central theme of this new edition: "Taking action every day". Through their animated adventures, *La Pat'Patrouille*, *Barbapapa*, *Loup*, *Ghost Force*, *Oum le Dauphin Blanc*, *les Schtroumpfs* and *Miraculous* communicated and shared powerful messages regarding waste recycling, wildlife conservation and climate disruption.

Solidarity

Global Citizen Live

In support of the causes advanced by the Global Citizen organisation, TF1 Group, a committed media player for more than 15 years, broadcast the Global Citizen Live event held on Saturday 25 September through its TMC channel. Broadcasting from Paris to New York, through to Lagos, Seoul, Rio de Janeiro, Sydney, Los Angeles and London, this unprecedented global initiative featured citizens, artists, world leaders, company executives, philanthropists and a host of other actors. Its purpose: to defend the planet and defeat poverty with a focus on tackling climate change, ensuring equal access to vaccines and ending the hunger crisis.

Websites & WhatRocks

A year on from signing the WhatRocks™ solidarity advertising pact, TF1 Group's websites reiterated their commitment to responsible advertising by joining the label's Founding Member Programme during its September launch in France. The WhatRocks™ initiative allows online users to view digital advertisements and credit a mobile wallet for donations to the charities of their choice.

French Foundation for Medical Research (FRM)

In honour of World Alzheimer's Day on 21 September 2021, the FRM launched its fourth national awareness campaign. The initiative, which was supported by TF1 Group, aims to accelerate progress in French medical research on Alzheimer's disease. In this spirit, the Group broadcast a TV spot featuring French celebrities, Matt Pokora and Elie Semoun.

Inclusion

Histoire TV

On 14 July, Histoire TV presented the documentary, "*Les femmes et la légion d'honneur*" directed by Éric Deroo. The programme discusses the changing public role of women and their recognition in French society.

Act Pro JARIS

For the second year running, TF1 Group partnered up with the Act Pro JARIS charity. The dedicated training centre provides learning support to people with disabilities, helping them to socially and professionally integrate into the media, culture and communications sectors.

1.6 Human resources update

As of 30 September 2021, the TF1 group had 3,156 employees on permanent contracts.

1.7 Outlook

The guidance below assumes no further deterioration in the public health situation.

At the end of 2021, our audiences and advertisers will enjoy a rich and diverse line-up, accessible by both linear and non-linear viewers. It will feature all-new French dramas, *Une si longue nuit* and *Mon Ange*, as well as must-see entertainment programmes such as the *NRJ Music Awards* and the new season of *Mask Singer*. The convergence of TV and digital content will strengthen our ad sales house value creation drivers.

Newen Studios will pursue its objectives of growing revenue outside the French market and increasing its book of orders with pure player platforms.

Buoyed by its good performance in the first nine months of 2021, TF1 Group increases its guidance of a double-digit current operating margin above 12% in 2021.

1.8 Diary dates

- 11 February 2022: 2021 full-year results
- 28 April 2022: 2022 first-quarter results
- 28 July 2022 : 2022 first-half results
- 27 October 2022 : 2022 nine-month results

These dates may be subject to change.

2. 2021 Condensed consolidated Financial Statements: first nine months of 2021

The statutory auditors have conducted a review of the financial statements, on which they have issued an unqualified report.

CONSOLIDATED INCOME STATEMENT

(€m)	9 months to 30 September 2021	9 months to 30 September 2020	3rd quarter 2021	3rd quarter 2020	Full year 2020
Revenue	**1,651.2**	**1,361.4**	**522.5**	**477.9**	**2,081.7**
Other income from operations	15.3	25.8	2.3	10.3	38.8
Purchases consumed	(616.9)	(516.5)	(211.8)	(190.9)	(785.7)
Staff costs	(395.3)	(334.2)	(137.5)	(122.9)	(495.5)
External expenses	(321.3)	(282.2)	(106.0)	(94.9)	(423.7)
Taxes other than income taxes	(72.3)	(66.0)	(21.3)	(21.6)	(98.8)
Net charges for depreciation, amortization and impairment losses on property, plant & equipment and intangible assets	(247.0)	(157.3)	(73.8)	(51.0)	(260.5)
Net amortisation expense on right of use of leased assets	(16.3)	(15.0)	(5.7)	(5.5)	(20.6)
Charges to provisions and other impairment losses, net of reversals due to utilization	20.1	20.4	8.9	14.1	(17.0)
Other current operating income	329.3	162.7	111.8	68.5	299.9
Other current operating expenses	(123.7)	(73.5)	(35.4)	(26.2)	(128.5)
Current operating profit/(loss)	**223.1**	**125.6**	**54.0**	**57.8**	**190.1**
Non-current operating income	-	-	-	-	-
Non-current operating expenses	(5.2)	-	(2.8)	-	(75.0)
Operating profit/(loss)	**217.9**	**125.6**	**51.2**	**57.8**	**115.1**
Financial income	1.2	0.1	0.2	-	2.3
Financial expenses	(1.9)	(2.1)	(0.4)	(0.6)	(3.4)
Income from net surplus cash/(cost of net debt)	**(0.7)**	**(2.0)**	**(0.2)**	**(0.6)**	**(1.1)**
Interest expense on lease obligations	(2.2)	(2.6)	(0.7)	(0.9)	(3.4)
Other financial income	1.0	1.8	0.3	0.5	2.3
Other financial expenses	(10.4)	(7.2)	(3.2)	(2.1)	(10.4)
Income tax expense	(40.0)	(37.3)	(2.4)	(15.5)	(37.3)
Share of net profits/(losses) of joint ventures and associates	(19.9)	(2.1)	(6.5)	(0.7)	(11.3)
Net profit/(loss) from continuing operations	**145.7**	**76.2**	**38.5**	**38.5**	**53.9**
Net profit/(loss) from discontinued operations	**-**	**-**	**-**	**-**	**-**
Net profit/(loss) for the period	**145.7**	**76.2**	**38.5**	**38.5**	**53.9**
Net profit/(loss) attributable to the Group	***147.0***	***77.1***	***38.6***	***38.7***	***55.3***
Net profit/(loss) attributable to non-controlling interests	***(1.3)***	***(0.9)***	***(0.1)***	***(0.2)***	***(1.4)***
Basic earnings per share from continuing operations (€)	0.70	0.37	0.18	0.18	0.26
Diluted earnings per share from continuing operations (€)	0.70	0.37	0.18	0.18	0.26

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(€m)	9 months to 30 September 2021	9 months to 30 September 2020	Full year 2020
Net profit/(loss) for the period	**145.7**	**76.2**	**53.9**
Items not reclassifiable to profit or loss			
Actuarial gains/(losses) on post-employment benefits			(4.5)
Fair value remeasurement of investments in equity instruments	5.1	(9.1)	(9.1)
Taxes on items not reclassifiable to profit or loss		(1.0)	0.1
Share of non-reclassifiable income and expense of joint ventures and associates	0.4	(0.6)	(0.6)
Items reclassifiable to profit or loss			
Remeasurement of hedging assets	0.4	(0.2)	(0.8)
Translation adjustments	2.1	0.9	(1.8)
Taxes on items reclassifiable to profit or loss	(0.1)	0.1	0.2
Share of reclassifiable income and expense of joint ventures and associates			
Income and expense recognised directly in equity	**7.9**	**(9.9)**	**(16.5)**
Total recognised income & expense	**153.6**	**66.3**	**37.4**
Recognised income & expense attributable to the Group	154.9	67.2	38.9
Recognised income & expense attributable to non-controlling interests	(1.3)	(0.9)	(1.5)

CONSOLIDATED CASH FLOW STATEMENT

(€m)	Note	9 months to 30 September 2021	9 months to 30 September 2020	Full year 2020
Net profit/(loss) from continuing operations		145.7	76.2	53.9
Net charges to/(reversals of) depreciation, amortisation, impairment of property, plant and equipment and intangible assets, and non-current provisions		260.0	160.7	334.9
Amortisation, impairment and other adjustments on right of use of leased assets		15.6	15.2	20.8
Other non-cash income and expenses		(38.0)	(16.4)	(37.0)
Gains and losses on asset disposals		(7.8)	0.8	5.1
Share of profits/losses reverting to joint ventures and associates, net of dividends received		21.3	2.1	11.3
Dividends from non-consolidated companies		(0.1)	(0.1)	(0.1)
Income taxes paid		(26.8)	(46.1)	(53.3)
Income taxes, including uncertain tax positions		40.0	37.3	37.3
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid		**409.9**	**229.7**	**372.9**
Reclassification of cost of net debt/income from net surplus cash and interest expense on lease obligations		2.9	4.6	4.5
Changes in woring capital requirements related to operating activities (including current impairment and provisions) (1)		(30.9)	26.3	103.0
Net cash generated by/(used in) operating activities		**381.9**	**260.6**	**480.4**
Purchase price of property, plant & equipment and intangible assets		(223.1)	(170.5)	(283.1)
Proceeds from disposals of property, plant & equipment and intangible assets		0.4	0.6	(0.4)
Net liabilities related to property, plant & equipment and intangible assets		(6.6)	5.3	(1.1)
Purchase price of non-consolidated companies and other investments		(0.7)	(0.6)	(0.8)
Proceeds from disposals of non-consolidated companies and other investments		5.1	0.5	0.5
Net liabilities related to non-consolidated companies and other investments		-	-	-
Purchase price of investments in consolidated activities		(27.4)	(2.7)	(1.4)
Proceeds from disposals of consolidated activities		27.6	1.0	1.0
Net liabilities related to consolidated activities		-	-	-
Other changes in scope of consolidation (cash of acquired or divested entities)		(0.1)	2.3	2.4
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies		21.6	(19.9)	(36.3)
Net cash generated by/(used in) investing activities		**(203.2)**	**(184.0)**	**(319.2)**
Capital increases/(reductions) paid by shareholders and non-controlling interests		(4.5)	(6.2)	(7.0)
Dividends paid to shareholders of the parent company		(94.7)	-	-
Dividends paid by consolidated companies to non-controlling interests		(2.5)	-	-
Change in current and non-current debt	7	24.7	45.5	(57.2)
Repayments of lease obligations	7	(16.0)	(14.4)	(20.5)
Income from net surplus cash/cost of net debt and interest expense on lease obligations		(2.7)	(4.6)	(3.8)
Other cash flows related to financing activities		-	-	-
Net cash generated by/(used in) financing activities		**(95.7)**	**20.3**	**(88.5)**
EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS		**0.1**	**(0.6)**	**(0.7)**
CHANGE IN NET CASH POSITION		**83.1**	**96.3**	**72.0**
Net cash position at start of period		**174.6**	**102.6**	**102.6**
Net cash flows		83.1	96.3	72.0
Net cash position at end of period	7	**257.4**	**198.9**	**174.6**

(1) *Current assets minus current liabilities, excluding (i) taxes and (ii) current debt and financial instruments used to hedge debt, which are classified in financing activities*

CONSOLIDATED BALANCE SHEET – ASSETS

ASSETS (€m)	*Note*	30/09/2021	31/12/2020	30/09/2020
Goodwill	5	803.8	786.3	845.2
Intangible assets		354.2	339.5	338.4
Property, plant and equipment		222.6	218.2	212.4
Right of use of leased assets		66.5	86.3	84.9
Investments in joint ventures and associates	6	14.6	11.0	11.9
Other non-current financial assets		16.2	52.9	44.4
Deferred tax assets		-	-	-
Total non-current assets		1,477.9	1,494.2	1,537.2
Inventories		474.5	485.3	575.4
Advances and down-payments made on orders		130.4	141.1	158.7
Trade receivables		675.5	725.0	660.1
Customer contract assets		-	-	-
Current tax assets		-	8.5	8.1
Other current receivables		470.5	330.4	362.4
Financial instruments - Hedging of debt		-	-	-
Other current financial assets		0.1	-	0.1
Cash and cash equivalents	7	264.8	178.6	209.7
Total current assets		2,015.8	1,868.9	1,974.5
Held-for-sale assets and operations		-	-	-
TOTAL ASSETS		3,493.7	3,363.1	3,511.7
Net surplus cash/(net debt)	7	36.3	(0.7)	(70.7)

CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

SHAREHOLDERS' EQUITY AND LIABILITIES (€m)	*Note*	**30/09/2021**	**31/12/2020**	**30/09/2020**
Share capital		42.1	42.1	42.1
Share premium and reserves		1,462.8	1,499.5	1,506.2
Translation reserve		1.6	(0.3)	2.5
Treasury shares		-	-	-
Net profit/(loss) attributable to the Group		147.0	55.3	77.1
Shareholders' equity attributable to the Group		**1,653.5**	**1,596.6**	**1,627.9**
Non-controlling interests		(2.6)	(0.8)	1.4
Total shareholders' equity		**1,650.9**	**1,595.8**	**1,629.3**
Non-current debt	*7*	**167.6**	**140.4**	**121.7**
Non-current lease obligations	*7*	**54.1**	**71.3**	**70.3**
Non-current provisions		**70.5**	**55.1**	**54.2**
Deferred tax liabilities		**19.6**	**34.9**	**42.4**
Total non-current liabilities		**311.8**	**301.7**	**288.6**
Current debt	*7*	**53.5**	**34.9**	**147.9**
Current lease obligations	*7*	**17.9**	**21.1**	**21.2**
Trade payables		**659.6**	**664.4**	**599.7**
Customer contract liabilities		**38.7**	**29.4**	**34.4**
Current provisions		**19.1**	**21.2**	**18.0**
Other current liabilities		**725.0**	**690.1**	**761.7**
Overdrafts and short-term bank borrowings	*7*	**7.4**	**4.0**	**10.8**
Current tax liabilities		**9.6**	**-**	**-**
Other current financial liabilities		**0.2**	**0.5**	**0.1**
Total current liabilities		**1,531.0**	**1,465.6**	**1,593.8**
Liabilities related to held-for-sale operations		**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**3,493.7**	**3,363.1**	**3,511.7**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Share capital & share premium	Reserves related to share capital & retained earnings	Consolidated reserves & profit/ (loss) for period	Treasury shares held	Items recognised directly in equity	TOTAL - GROUP	Non-controlling interests	TOTAL
POSITION AT 31/12/2019		62.2	1,326.7	228.0	-	(54.5)	1,562.4	1.7	1,564.1
Movements in the first 9 months of 2020									
Net profit/(loss) for the period		-	-	77.1	-		77.1	(0.9)	76.2
Income and expense recognised directly in equity		-	-	-	-	(9.9)	(9.9)		(9.9)
Total comprehensive income		-	-	77.1	-	(9.9)	67.2	(0.9)	66.3
Share capital and reserves transactions, net		0.1	18.3	(18.3)	-	-	0.1	-	0.1
Acquisitions & disposals of treasury shares		-	-	-	-	-	-	-	-
Acquisitions & disposals without loss of control		-	-	(1.5)	-	-	(1.5)	-	(1.5)
Dividends distributed		-	-	-	-	-	-	-	-
Share-based payment		-	-	0.7	-	-	0.7	-	0.7
Other transactions (changes in scope of consolidation, other transactions with shareholders, & other items)		-	-	(1.0)	-	-	(1.0)	0.6	(0.4)
POSITION AT 30 SEPTEMBER 2020		62.3	1,345.0	285.0	-	(64.4)	1,627.9	1.4	1,629.3
Movements in the fourth quarter of 2020									
Net profit/(loss) for the period				(21.8)			(21.8)	(0.5)	(22.3)
Income and expense recognised directly in equity						(6.5)	(6.5)	(0.1)	(6.6)
Total comprehensive income		-	-	(21.8)	-	(6.5)	(28.3)	(0.6)	(28.9)
Share capital and reserves transactions, net							-		-
Acquisitions & disposals of treasury shares							-		-
Acquisitions & disposals without loss of control				(4.6)			(4.6)		(4.6)
Dividends distributed							-		-
Share-based payment				0.8			0.8		0.8
Other transactions (changes in scope of consolidation, other transactions with shareholders, & other items)				0.8			0.8	(1.6)	(0.8)
POSITION AT 31/12/2020		62.3	1,345.0	260.2	-	(70.9)	1,596.6	(0.8)	1,595.8
Movements in the first 9 months of 2021							-		-
Net profit/(loss) for the period		-	-	147.0	-	-	147.0	(1.3)	145.7
Income and expense recognised directly in equity		-	-	-	-	7.9	7.9		7.9
Total comprehensive income		-	-	147.0	-	7.9	154.9	(1.3)	153.6
Share capital and reserves transactions, net					-	-	-	-	-
Acquisitions & disposals of treasury shares		-	-	-	-	-	-	-	-
Acquisitions & disposals without loss of control		-		(0.9)	-	-	(0.9)	1.9	1.0
Dividends distributed		-		(94.7)	-	-	(94.7)	(2.5)	(97.2)
Share-based payment		-		-	-	-	-	-	-
Other transactions (changes in scope of consolidation, other transactions with shareholders, & other items)		-		(2.4)	-	-	(2.4)	0.1	(2.3)
POSITION AT 30 SEPTEMBER 2021		62.3	1,345.0	309.2	-	(63.0)	1,653.5	(2.6)	1,650.9

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Significant events

1.1 Proposed merger of the operations of TF1 and M6

On 17 May 2021, TF1, M6, Bouygues and RTL Group announced that they had signed agreements to enter into exclusive negotiations to merge the activities of TF1 and M6, creating a major French media group. Based on 2020 proforma figures, the merged entity would generate revenues of approximately €3.4 billion, and current operating profit in the region of €460 million.

Bouygues and RTL Group support the transaction, on completion of which they would hold 30% and 16% of the new entity respectively, following the acquisition by Bouygues of an 11% stake from RTL Group for €641 million. Bouygues would be the controlling shareholder, and would act in concert with RTL Group in a strategic partnership.

The transaction was approved unanimously by the Boards of Directors of TF1, Bouygues and RTL Group and the Supervisory Board of M6, and by the employee representative bodies of Bouygues, TF1 and M6 on 24 June 2021; this in turn led to the signature of agreements between the Bouygues group and RTL Group, and between TF1 and M6, on 8 July 2021.

Closing of the transaction, which is expected to occur by the end of 2022, remains subject to the customary conditions precedent, in particular regulatory approvals from the French competition authority (ADLC) and French broadcasting industry regulator (CSA) – the process for which has been initiated – and the holding of general meetings of TF1 and M6 shareholders.

The TF1 group has decided to recognise external expenses incurred in connection with this transaction within "Non-current operating expenses". The amount of external expenses incurred in connection with the transaction in the nine months ended 30 September 2021 was €5.2 million.

2. Accounting principles and policies

2-1. Declaration of compliance and basis of preparation

The condensed interim consolidated financial statements as of 30 September 2021 include the financial statements of TF1 SA and its subsidiaries and joint ventures, and the TF1 group's interests in associated undertakings. They were prepared in accordance with IAS 34, "Interim Financial Reporting", a standard issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. Because they are condensed, these financial statements do not include all the information required under the standards issued by the IASB, and should be read in conjunction with the full-year financial statements of the TF1 group for the year ended 31 December 2020 as presented in the Universal Registration Document filed with the AMF on 10 March 2021 as no. D.21-0107.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 September 2021. Those standards (collectively referred to as "IFRS") comprise International Financial Reporting Standards (IFRSs); International Accounting Standards (IASs); and interpretations issued by the IFRS Interpretations Committee (IFRS IC), the successor body to the Standing Interpretations Committee (SIC). As of 30 September 2021, the TF1 group has not early adopted any standard or interpretation not yet endorsed by the European Union.

The financial statements are presented in millions of euros and comprise the balance sheet, the income statement, the statement of recognised income and expense, the statement of changes in shareholders' equity, the cash flow statement, and the notes to the financial statements.

2-2. New and amended IFRS accounting standards and interpretations

2-2-1. New standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption in periods beginning on or after 1 January 2021

The TF1 group applied the same standards, interpretations and accounting policies in the nine months ended 30 September 2021 as were applied in its consolidated financial statements for the year ended 31 December 2020, except for changes required to meet new IFRS requirements applicable with effect from 1 January 2021 (see below).

- Principal amendments effective within the European Union and mandatorily applicable with effect from 1 January 2021
    - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

On 27 August 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (phase 2) in connection with interest rate benchmark reform. Those amendments were endorsed by the European Union on 13 January 2021, and are applicable retrospectively from 1 January 2021.

The impact of the amendments on the Group is immaterial.

- IFRS IC Agenda Decision on IAS 19

In May 2021, the IASB approved the IFRS IC Agenda Decision of December 2020 on the method for calculating the period of service used when measuring the provision for lump-sum retirement benefits. The most common approach currently

applied in France (including by the TF1 group) is to attribute the benefit on a straight line basis over the entire period from the date an employee joins the retirement benefit scheme to the date of retirement. However, the IFRS IC takes the view that the benefit should be attributed only over the specified number of pre-retirement years of service at which the benefit entitlement is capped.
The impact of that Agenda Decision is currently being assessed, in particular through an analysis of the relevant retirement benefit schemes and collective agreements. As of 30 September 2021, the TF1 group continues to attribute such benefits from the date on which the employee joins the scheme.

2-3. Changes in accounting policy

The TF1 group has not made any changes in accounting policy during 2021 to date.

2-4. Use of estimates

Preparation of the condensed consolidated financial statements requires the TF1 group to make various estimates and use various assumptions regarded as realistic or reasonable. Subsequent events or circumstances may result in changes to those estimates or assumptions, which could affect the value of the Group's assets, liabilities, equity or net profit.
The principal accounting policies requiring the use of estimates are:

- impairment of audiovisual rights (whether recognised as intangible assets or carried as inventory);
- impairment of goodwill (where there is evidence of impairment);
- impairment of programmes and broadcasting rights;
- measurement of provisions.

Those estimates were made using the same valuation approaches as used in preparing the financial statements for the year ended 31 December 2020 and the 2021 interim financial statements. As of the date on which the financial statements were closed off by the Board of Directors, management believes that as far as possible, those estimates incorporate all information available to it.

2-5. Seasonal trends

Advertising revenues are traditionally lower in January/February and July/August than during the rest of the year. The extent of those seasonal fluctuations varies from year to year.

3. Operating segments

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of the products and services sold, and the clientele to which they are sold. This segmentation serves as the basis for the presentation of internal management data, and is also used by the Group's operating decision-maker to monitor performance. The operating segments reported by the Group are those reviewed by the chief operating decision-maker.
Management assesses segmental performance on the basis of current operating profit. Segmental results, assets and liabilities include items directly or indirectly attributable to the relevant segment. Segmental capital expenditure represents total acquisitions of property, plant and equipment and intangible assets as recognised in the corresponding balance sheet line items. Inter-segment sales and transfers are conducted on an arm's length basis.

Media
The Media segment includes all of the Group's TV channels; online content distribution and special-interest web communities; content creation and audience-buying via special-interest online content and brand development; developing and showcasing talent via multi-channel networks (MCNs); and subsidiaries that produce and acquire audiovisual rights for the Group's TV channels in line with French broadcasting industry regulations.
Revenues from such activities derive mainly from the sale of advertising space through individually-negotiated space-buying deals and programmatic ad sale auctions; they also include revenue from content and services made available by the Group's TV channels to cable, satellite and ADSL operators, and from interactivity embedded within broadcast programmes.
The Media segment also includes:

- digital agency and marketing activities, which combine services for the Group's online advertising clients including advertising agency services, audience development and targeting through e-commerce sites and social networks, and affiliation services; and
- entertainment activities (music, live shows, licences, artist support) that add value to the Group's audiovisual content, and sales of subscription boxes, magazines and face-to-face events that receive financial support from the Group's advertising clients.

Newen Studios
This segment comprises content subsidiaries whose activities are primarily focused on producing, acquiring, developing and distributing audiovisual rights (films, drama, TV movies, cartoons, documentaries, unscripted shows, etc) for exploitation independently of the Group's broadcasting operations.
Revenues are derived from fees for the sale of broadcasting rights and all other exploitation rights in France or internationally.

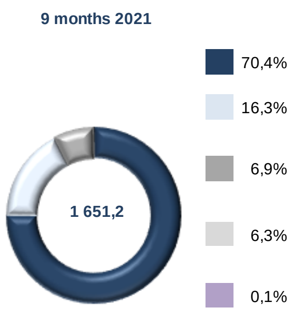
(€m)	MEDIA (1) & (2)	BROADCASTING		NEWEN STUDIOS	STUDIOS & ENTERTAINMENT (2) & (3)		DIGITAL (1)	TOTAL TF1 GROUP	
SEGMENTAL INCOME STATEMENT	**9m 2021**	**9m 2020 proforma**	**9m 2020 reported**	**9m 2021**	**9m 2020 proforma**	**9m 2020 reported**	**9m 2020 reported**	**9m 2021**	**9m 2020**
Segment revenue	1,441.6	1,229.8	1,076.1	251.7	157.0	205.0	105.7	1,693.3	1,386.8
Elimination of inter-segment transactions	(10.5)	(20.0)	(20.0)	(31.5)	(5.4)	(5.4)	-	(42.0)	(25.4)
GROUP REVENUE CONTRIBUTION	**1,431.0**	**1,209.8**	**1,056.1**	**220.2**	**151.6**	**199.6**	**105.7**	**1,651.2**	**1,361.4**
of which Advertising revenue	*1,162.4*	*960.4*	*914.5*	*0.1*	*0.4*	*0.4*	*45.9*	*1,162.5*	*960.8*
of which Other revenue	*268.6*	*249.3*	*141.6*	*220.1*	*151.2*	*199.2*	*59.8*	*488.7*	*400.6*
CURRENT OPERATING PROFIT/(LOSS)	**193.9**	**121.7**	**127.6**	**29.2**	**3.8**	**7.2**	**(9.2)**	**223.1**	**125.6**
% operating margin on Group contribution	*13.5%*	*10.1%*	*12.1%*	*13.3%*	*2.5%*	*3.6%*	*-8.7%*	*13.5%*	*9.2%*
Interest expense on lease obligations	(1.7)	(1.9)	(1.2)	(0.5)	(0.6)	(1.2)	(0.2)	(2.2)	(2.6)
CURRENT OPERATING PROFIT/(LOSS) after leases	**192.2**	**119.8**	**126.4**	**28.7**	**3.2**	**6.1**	**(9.4)**	**220.9**	**123.0**
Share of net profits/(losses) of joint ventures and associates	(19.3)	(2.2)	(2.2)	(0.6)	0.1	0.1	-	(19.9)	(2.1)

(1) *Digital division incorporated in the Media segment (formerly Broadcasting) on a proforma basis for the first 9 months of 2020.*
(2) *Music/Entertainment division reclassified to the Media segment (formerly Broadcasting) on a proforma basis for the first 9 months of 2020.*
(3) *TF1 Games division retained within the Studios & Entertainment segment (renamed Newen Studios) until its divestment in April 2021.*

"Current operating profit/(loss) after leases" represents current operating profit after deducting interest expense on lease obligations.

4. Analysis of revenue

TF1 group console dated revenue for the first nine months of 2021 breaks down as follows:



(€m)	9 months 2021	9 months 2020 proforma	9 months 2020 reported	Chg €m	Chg %
Advertising revenue	1 162,4	960,4	914,5	202,0	21%
of which Digital advertising revenue (5)	93,6	83,9		9,8	12%
Other revenue	268,6	249,4	141,6	19,2	8%
Media	**1 431,0**	**1 209,8**	**1 056,1**	**221,2**	**18%**
Newen - France	114,0	86,6		27,5	32%
Newen - Other countries	104,0	51,6		52,4	101%
Production/sale of audiovisual rights			155,1	-	
Revenue from games, music, live shows & distance selling (1) (2)	2,2	13,4	44,5	(11,2)	-84%
Newen Studios (4)	**220,2**	**151,6**	**199,6**	**68,6**	**45%**
Web publishing (digital content & social e-commerce)	-	-	81,6	-	
Business solution marketing	-	-	24,1	- -	
Digital (3)	**-**	**-**	**105,7**	**-**	
Total revenue	**1 651,2**	**1 361,4**	**1 361,4**	**289,8**	**21%**

(1) *Music/Entertainment division reclassified to the Media segment on proforma basis for the first 9 months of 2020.*
(2) *TF1 Games division retained within the Studios & Entertainment segment (renamed Newen Studios) until its divestment in April 2021.*
(3) *Newen Studios revenue split between France and other countries on proforma basis for the first 9 months of 2020.*
(4) *Digital division revenue incorporated within the Media segment, split between "Advertising revenue" and "Other revenue" on proforma basis for the first 9 months of 2020.*
(5) *Digital advertising revenue, combining advertising revenue from (i) MyTF1/LCI and (ii) the former Digital division.*

5. Goodwill

In accordance with the revised IFRS 3 the TF1 group has, for acquisitions made during the period, elected not to remeasure the non-controlling interests at fair value, as a result of which only the share of goodwill attributable to the Group is reported in the balance sheet (partial goodwill method).

(€m)	Media	Newen Studios	Digital [4]	TOTAL
Goodwill at 1 January 2020	**407.7**	**192.3**	**245.2**	**845.2**
Acquisitions	-	0.8	-	0.8
Disposals	-	-	-	-
Translation adjustments	-	(1.0)	-	(1.0)
Adjustment	-	0.2	-	0.2
Reclassifications	-	-	-	-
Impairment	-	-	-	-
Goodwill at 30 September 2020	**407.7**	**192.3**	**245.2**	**845.2**
Goodwill at 1 January 2021	**408.4**	**190.6**	**187.3**	**786.3**
Acquisitions	0.7	24.0 (2)	(0.0)	24.7
Disposals	(7.9) (1)	-	-	(7.9)
Translation adjustments	-	0.7	-	0.7
Other adjustments	187.3 (3)	-	(187.3)	-
Reclassifications	-	-	-	-
Impairment	-	-	-	-
Goodwill at 30 September 2021	**588.5**	**215.3**	**(0.0)**	**803.8**

(1) *In the first quarter of 2021, the TF1 group divested Alfemminile (a subsidiary based in Italy) and the Onmeda business (previously owned by the German subsidiary Gofeminin.de). Both divestments were deemed to fall within the scope of IFRS 3, and resulted in the derecognition of goodwill.*
(2) *Provisional goodwill of (i) €19.3 million generated by the acquisition of 65% of the iZen group (Spain) as described below, and (ii) €4.7 million generated by the acquisition of 51% of the Flare group (Germany) as described below.*
(3) *As explained in the notes to the first-half consolidated financial statements, the former Digital segment has been incorporated within the Media segment.*
(4) *The decrease in Digital segment goodwill between 30 September 2020 and 1 January 2021 corresponds to the write-down of €57.9 million recognised as of 31 December 2020 (see Note 1, "Significant events of 2020" and Note 7.4.1, "Goodwill" to the consolidated financial statements for the year ended 31 December 2020).*

The movement in goodwill for Newen Studios is mainly due to the acquisition of the iZen group (Spain) in the first half of 2021, as described in Note 1 "Significant events" to the first-half consolidated financial statements.
Provisional goodwill on the acquisition of a controlling interest in the iZen group was determined as follows:

	iZen
Purchase price (1)	**24**
Net assets acquired excluding goodwill (2):	**-7.2**
Non-current assets	4.5
Current assets	16.2
Non-current liabilities	1.8
Current liabilities	11.7
Purchase price allocation (3):	
Fair value remeasurement of intangible assets	
Fair value remeasurement of property, plant and equipment	
Fair value remeasurement of liabilities (deferred tax and other)	
Unacquired portion (4)	**2.5**
Provisional goodwill (1) + (2) + (3) + (4)	**19.3**

On 15 September 2021, the Newen group finalised the acquisition of a 51% equity interest in the Flare group, a German audiovisual producer, for a provisional purchase consideration of €4.9 million.

Provisional goodwill of €4.7 million was recognised as of the date control was obtained, pending the final purchase price allocation.

6. Investments in joint ventures and associates

The table below gives details of investments in joint ventures and associates:

(€m)	Série Club	Salto (1)	Other (2)	TOTAL
1 January 2020	9.9	0.4	2.0	**12.3**
Share of profit/(loss) for the period	0.8	(3.0)	0.1	**(2.1)**
Provision for impairment	-	-	-	**-**
Dividends paid	-	-	-	**-**
Changes in scope of consolidation and reclassifications	-	-	(0.1)	**(0.1)**
Other	-	2.6	(0.8)	**1.8**
30 September 2020	**10.7**	**(0.0)**	**1.2**	**11.9**
1 January 2021	**10.6**	**-**	**0.4**	**11.0**
Share of profit/(loss) for the period	0.8	(19.7)	(0.7)	**(19.6)**
Provision for impairment	-	-	-	**-**
Dividends paid	(1.7)	-	-	**(1.7)**
Changes in scope of consolidation and reclassifications	-	-	5.2	**5.2**
Other	-	19.7	-	**19.7**
30 September 2021	**9.7**	**-**	**4.9**	**14.6**

(1) *In 2021 (as in 2020), Salto is financed essentially through current account advances from its shareholders (effectively quasi-equity). Consequently, the advance to Salto is recognised as an investment in a joint venture to the extent of Salto's net loss for the period, with the balance recognised in "Non-current financial assets".*

(2) *In 2021, the €5.2 million increase recorded on the "Changes in scope of consolidation and reclassifications" line mainly comprises (i) acquisitions made within the Newen Studios segment and (ii) the retained 20% equity interest in Alfemminile.*

7. Definition of "Net surplus cash/(net debt)"

"Net surplus cash/(net debt)" is obtained by aggregating the following items:

- cash and cash equivalents at period-end, comprising cash in hand, instant access deposits, cash equivalents, overdrafts and short-term bank borrowings;
- debt, comprising non-current and current financial liabilities;
- financial assets contractually allocated to the repayment of debt.

"Net surplus cash/(net debt)" as reported by the TF1 group excludes non-current and current lease obligations.

The table below provides an analysis of "Net surplus cash/(net debt)", as defined above:

(€m)	31/12/2020	Translation adjustments	Changes in scope of consolidation	Cash flows [1]	Changes in fair value via equity or profit/loss	Other movements	30/09/2021
Cash and cash equivalents	178.6		0.9	85.3			264.8
Financial assets used for treasury management purposes	-						-
Overdrafts and short-term bank borrowings	(4.0)		(1.0)	(2.4)			(7.4)
Available cash	**174.6**		**(0.1)**	**82.9**		**-**	**257.4**
Interest rate derivatives - assets	-						-
Interest rate derivatives - liabilities	-						-
Fair value of interest rate derivatives	-						-
Non-current borrowings	(140.4)	(0.6)	(19.6)	(59.2)	(5.1)	57.2	(167.6)
Current debt excluding overdrafts and short-term bank borrowings	(34.9)	(1.1)	-	36.6	(0.5)	(53.6)	(53.5)
Total debt	**(175.3)**	**(1.7)**	**(19.6)**	**(22.6)**	**(5.6)**	**3.6**	**(221.1)**
Net surplus cash/(net debt)	**(0.7)**	**(1.7)**	**(19.7)**	**60.3**	**(5.6)**	**3.6**	**36.3**
Lease obligations	(92.4)		-	(16.0)		36.4	(72.0)
Net surplus cash/(net debt) including lease obligations	**(93.1)**	**(1.7)**	**(19.7)**	**44.3**	**(5.6)**	**40.0**	**(35.7)**

[1] *The net cash inflow of €22.6 million shown within "Net cash generated by/(used in) financing activities" in the 2021 cash flow statement comprises a cash inflow of €69.6 million and a cash outflow of €47 million.*

As of 30 September 2021, TF1 had confirmed bilateral bank credit facilities of €1,100 million, including €190 million for Newen. The TF1 group's undrawn confirmed facilities are backed up by a cash pooling agreement with the Bouygues Group. As of 30 September 2021, drawdowns under those facilities amounted to €94 million, all of which related to the Newen facility.

A reconciliation between the cash position in the cash flow statement and the "Cash and cash equivalents" line in the balance sheet is presented below:

(€m)	30/09/2021	31/12/2020
Cash and cash equivalents in the balance sheet	264.8	178.6
Cash of held-for-sale operations	-	-
Treasury current account credit balances	-	-
Short-term bank borrowings	(7.4)	(4.0)
Total cash position at period-end per the cash flow statement	**257.4**	**174.6**

8. Cash flow statement – effect of changes in scope of consolidation

For the first nine months of 2021, the items shown in this section of the cash flow statement relate mainly to (i) the divestment of Dujardin, and the acquisitions of the Spanish group iZen and the German group Flare (see Note 1, "Significant events"); (ii) the partial divestment of Alfemminile and of the Onmeda business (see Note 5, "Goodwill"); and (iii) additional investments in equity-accounted entities (see Note 6, "Investments in joint ventures and associates").

9. Dividends paid

The table below shows the dividend per share paid by the TF1 Group on 3 May 2021 in respect of the 2020 financial year. As regards dividends in respect of the 2019 financial year, the Annual General Meeting of 17 April 2020 decided not to distribute a dividend, in line with a proposal from the Board of Directors intended to show solidarity and share the sacrifices expected of all the Group's partners and staff.

	Paid in 2021	Paid in 2020
Total dividend (€m)	94.7	-
Dividend per ordinary share (€)	0.45	-

10. Events after the reporting period

There are no events after the reporting period to report.

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