



**Management Report
First Quarter 2022**

Management Report – 1st Quarter 2022

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1. Q1 2022 financial information

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€)	Q12022	Q12021
Revenue	561.3	509.8
<i>Group advertising revenue</i>	377.1	357.9
<i>Revenue from other activities</i>	184.2	151.9
Current operating profit/(loss)	59.6	56.8
Operating profit/(loss)	56.2	56.8
Net profit/(loss) from continuing operations	34.1	34.3
Operating cash flow after cost of net debt, interest expense on lease obligations and income taxes paid	130.9	116.9
Basic earnings per share from continuing operations (€)	0.16	0.16
Diluted earnings per share from continuing operations (€)	0.16	0.16
Shareholders' equity attributable to the Group	1,797.5	1,646.6
Net cash/(debt) of continuing operations	379.4	50.7

	Q12022	Q12021
Weighted average number of ordinary shares outstanding ('000)	210,486	210,393
Closing share price at end of year (€)	8.81	7.77
Market capitalisation at end of year (€bn)	1.85	1.63

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)	Q12022	Q12021	CHG. €M	CHG. %
TF1 group advertising revenue*	377.1	357.9	19.2	5.4%
Revenue from other activities*	184.2	151.9	32.3	21.3%
Media**	485.5	444.5	41.0	9.2%
Advertising revenue**	377.1	357.8	19.3	5.4%
o/w digital advertising revenue**	30.2	27.9	2.3	8.2%
Newen Studios**	75.8	65.3	10.5	16.1%
Consolidated revenue*	561.3	509.8	51.5	10.1%
Media**	56.9	46.8	10.1	21.6%
Newen Studios**	2.7	10.0	(7.3)	-73.0%
Current operating profit*	59.6	56.8	2.8	4.9%
Current operating margin*	10.6%	11.1%	-	-0.5 pts
Operating profit*	56.2	56.8	(0.6)	-1.1%
Net profit attributable to the Group*	34.1	34.3	(0.2)	-0.6%
Cost of programmes*	(220.0)	(210.8)	(9.2)	4.4%

*Published data

**Proforma data

Analysis of cost of programmes

(€M)	Q12022	Q12021
Total cost of programmes	(220.0)	(210.8)
TV dramas / TV movies / Series / Theatre	(78.7)	(72.0)
Entertainment	(66.8)	(63.4)
Movies	(28.3)	(25.1)
News (including LCI)	(35.3)	(34.7)
Sport	(8.5)	(12.8)
Kids	(2.4)	(2.7)

1.2 Significant events of the first quarter of 2022

January

25 January 2022

Newen Studios announces it is strengthening its strategic partnership with European producer and financier, Anton, which specialises in audiovisual financing, co-production and distribution. Anton is increasing its investment alongside Newen Studios by 40% to provide a global budget of €50 million to co-invest in audiovisual and film distribution rights. This agreement will allow Newen Studios to expand even further to meet the growing demand for quality content.

February

28 February 2022

On 28 February 2022, the TF1 Group announces that Altice Media has entered into a purchase agreement in respect of the TFX channel (DTT channel 11), and that the Group has granted an exclusivity clause in favour of Altice Media.

Completion of the sale is subject in particular to informing and consulting the employee representative bodies; to obtaining clearance from the relevant authorities (the French Competition Authority and ARCOM – the French Audiovisual and Digital Advertising Regulator); and to completion of the proposed merger between the TF1 and M6 groups.

Consequently, the TFX channel will remain under the full control of the TF1 Group throughout 2022. The sale of TFX would come under the framework of the proposed merger between the TF1 and M6 groups announced on 17 May 2021.

In accordance with legislation, it would contribute to ensuring that the combined group, does not broadcast more than seven national channels on the DTT network.

March

17 March 2022

After obtaining its first certificate in 2018, the TF1 Group renewed its ISO 50001 certification with AFNOR (the French national organisation for standardisation). This award recognises the efforts made by the Group over the last few years to combat global warming and notably commends the 33% reduction in energy consumption since 2011 in its Tour TF1 premises.

With the renewal of this certification, the TF1 Group is encouraged to step up its commitment towards a more responsible development model. TF1 intends to “positively inspire society” by implementing a climate strategy at the heart of the Group, by repurposing internal mobility, and by creating two new Data Centres to optimise energy consumption at its IT facilities.

24 March 2022

As part of the proposed merger between TF1 and M6, France TV expressed its wish, if the merger is completed, to divest its equity interest in Salto. The TF1 and M6 groups have undertaken that if the merger is completed, they would buy out the 33.33% equity interest held by France Télévisions at a definitive value of €45 million. The new group would then own 100% of Salto, enabling it to develop a streaming project.

Since the agreement depends on the actual merger between the M6 and TF1 Groups, Salto will remain under the joint control of its three shareholders throughout 2022 to facilitate the ongoing development of the platform.

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

The TF1 group generated consolidated revenue of €561.3 million in Q1 2022, an increase of €51.5 million (+10.1%).

Group advertising revenue was €377.1 million, up €19.2 million (+5.4%) year on year, thanks to the gradual recovery of business sectors that were still impacted by the pandemic in 2021.

Revenue from other Group activities totalled €184.2 million, up €32.3 million (+21.3%), resulting in part from a scope effect of €17.5 million, mainly at Newen Studios.

Cost of programmes and other current operating income/ expenses

Cost of programmes

The TF1 group's cost of programmes totalled €220.0 million, for a year-on-year increase of €9.2 million. Through these controlled re-investments, the group was able to cater to demand from advertisers and maintain an offering of high-ratings programmes in news, French drama and entertainment alike.

Other income, expenses and depreciation, amortisation and provisions

Other expenses and depreciation, amortisation and provisions amounted to €281.7 million at end-March 2022, higher than the figure at end-March 2021 (€242.2 million), linked with the integration of new production studios.

Current operating profit

Current operating profit came to €59.6 million, up €2.8 million year on year (+4.9%). Group current operating margin was 10.6%, down slightly on Q1 2021 (11.1%).

Operating profit

Operating profit came to €56.2 million, after €3.4 million of non-recurring expenses relating to the proposed merger between TF1 and M6.

Net profit

Attributable net profit was €34.1 million, stable overall compared with last year.

Financial position

Shareholders' equity attributable to the Group was €1,797.5 million as of 31 March 2022 out of a balance sheet total of €3,803.4 million.

TF1 Group reported a net cash position of €379.4 million as of 31 March 2022 (net cash position of €291.1 million including lease obligations), compared with net surplus cash of €198.5 million at 31 December 2021 (net surplus

cash of €134.8 million including lease obligations).

As of 31 March 2022, 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 31 March 2022, drawdowns under those facilities amounted to €65 million, all of which related to Newen Studios.

Significant events after the reporting period

8 April 2022

Further to the press release of Monday 28 February 2022 about the proposed sale of the TFX channel to the Altice group, the employee representative bodies of TF1 have delivered their opinion and approved the proposal. Consequently, the TF1 Group and the Altice group are announcing the signing by both parties of the agreements relating to the sale.

Completion of the sale is subject in particular to obtaining clearance from the relevant authorities (the French Competition Authority and ARCOM), and completion of the proposed merger between the TF1 and M6 groups.

1.4 Segment information

Media

Revenue

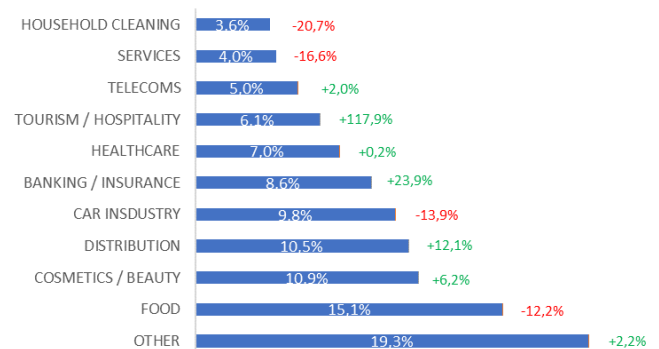
Revenue for the Media segment reached €485.5 million, an increase of €41.0 million (+9.2%).

The Media segment generated advertising revenue of €377.1 million in Q1 2022, up 5.4%, consistent with the strong momentum shown in late 2021. The performance was underpinned by the gradual return of certain advertising sectors, such as cosmetics and travel/tourism, and was also fuelled by the ad sales house's work on boosting value through supplementary offerings, mainly in targeting. Digital advertising revenue amounted to €30.2 million, up €2.3 million compared with end-March 2021 (8.2%), driven mainly by MyTF1.

Revenue from other Media segment activities increased €21.7 million year on year (+25.0%) on growth in the entertainment and distribution businesses.

Gross revenue for the TF1 group's free-to-air channels for end-March 2022 was up 1.9% versus end-March 2021.

Trends in gross advertising spend (excluding sponsorship) by sector for Q1 2022 are shown in the following chart.



Source: Kantar Média, Q1 2022 vs. Q1 2021

TF1 - Q1 2022 financial information

Current operating profit

The Media segment reported current operating profit of €56.9 million, a year-on-year rise of €10.1 million, generating a current operating margin of 11.7% (up 1.2 point from 2021 and 2.1 points from 2020).

Media audience ratings¹

Daily viewing time remained steady at end-March 2022 for individuals aged 4+. It reached 3 hours and 32 minutes, representing a decline on Q1 2021 which was affected at the time by Covid-19 restrictions, but stable overall versus end-March 2019 (3 hours, 38 minutes). In a growing attention market, particularly owing to the development of video consumption offerings which are complementary to linear television, daily viewing time for the “women aged under 50 purchasing decision makers” (W<50PDM) target audience was 2 hours and 45 minutes, down 32 minutes over three years, and 2 hours and 41 minutes (-26 minutes in three years) among 25-49-year-olds.

Since April 2020, the Médiamat 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 during 2024.

In a highly competitive environment with a busy line-up of political events, the TF1 Group maintains its leader status, continuing to attract and engage with a majority of French people through its premium and diversified offer. This performance is demonstrated by the high audience numbers at end-March 2022:

- 33.1% audience share of W<50PDM (-0.6pt year-on-year);
- 29.8% of 25-49-year-olds (-0.6pt year-on-year).

TF1

TF1 delivered a good performance in the first quarter of 2022, thanks to a premium line-up and a news offering that managed to generate buzz in a start of the year marked by a heavy political and geopolitical newsflow. Against the backdrop of more fierce competition, partly from 24-hour news channels, TF1 maintained its leadership across all audience segments. At end-March 2022, TF1 achieved an audience share of 18.5% among individuals aged 4+ (-1.5pt year-on-year) and 22.0% among W<50PDM (-0.6pt year-on-year).

At end-March 2022, the channel earned 64 of the top 100 ratings among individuals aged 4+, and 46 of the top 50 ratings among W<50PDM, thanks to its extensive and varied line-up across a range of programme genres:

- **News:** As the go-to channel for news, TF1 added to its credibility. This was demonstrated through popular political programmes in the build-up to the 2022 French presidential elections including *La France face à la guerre*, followed by 4.3 million viewers and *Partie de campagne l'invité.e*, which attracted up to 6.8 million viewers. The evening news bulletin sustained its leadership position, averaging 5.8 million viewers.
- **Entertainment:** In the first quarter of 2022, TF1 entertainment programmes again stood out for their ability to attract viewers and create events, as illustrated by the new show entitled *Les Enfoirés*, averaging 8.4 million viewers and a 52% audience share among W<50PDM. The main entertainment brands confirmed their ability to engage with audiences, as shown by *Koh-Lanta* (up to 5.7 million viewers, averaging an audience share of 41.5% among W<50PDM) and *The Voice* (up to 5.8 million viewers, with an average audience share of 38% among W<50PDM).
- **French drama:** We are more committed than ever to putting French drama at the heart of

¹ Source: Médiamétrie – Médiamat

our editorial strategy. During the first quarter of 2022, TF1 was able to broadcast engaging drama evenings as shown by *Balthazar*, which attracted up to 6.9 million viewers, representing an audience share of 27% among W<50PDM. The daily soaps – *Ici tout Commence* and *Demain nous Appartient* – confirmed their success, respectively averaging 27% and 19% of W<50PDM and 30% and 23% among 15-24-year-olds.

- **Sport:** Despite fewer major sports events in the first three months of 2022, TF1 posted successful audience ratings with the friendly football match between France and South Africa on 29 March, which attracted up to 5.8 million viewers.
- **Movies:** The movie offering proved very popular in the first quarter of 2022, as demonstrated by the success of the French film *Qu'est-ce qu'on a encore fait au Bon Dieu ?*, bringing together 7.8 million viewers, i.e., a 43% audience share among W<50PDM.

DTT channels

In Q1 2022, TF1 Group's DTT arm — TMC, TFX, TF1 Séries Films and LCI — maintained its target audience leadership among W<50PDM, posting an 11.1% audience share (stable year-on-year). The division also recorded a 10.3% audience share among 25-49-year-olds (+0.5pt year-on-year).

TMC

TMC capped off its best start to the year, with a 4.8% audience share among 25-49-year-olds (+0.1pt vs. 2021), particularly on the back of the success of *Quotidien*, which attracted 1.9 million viewers on average. TMC confirmed its DTT leader status among W<50PDM, with an audience share of 4.7%, which was stable over one year.

The channel's performance was also driven by its premium movie offering with up to seven films attracting more than one million viewers, coupled with successful prime-time slots (up to 1.3 million viewers for the *Story Zelensky*).

TFX

In day-time viewing, TFX ranked as DTT leader among WPDM15-49 and the movie offering garnered popularity in the evening (up to 1.0 million viewers for *Wasabi*). TFX is also supported by a popular sports offering, with 0.9 million viewers tuning in for the European Handball Championship match between Denmark and France.

In Q1 2022, TFX reported audience share of 3.4% (-0.2pt vs. 2021) among the WPDM<50 target audience and 2.7% (-0.1pt vs. 2021) among 25-49-year-olds.

TF1 Séries Films

For the first quarter of 2022, TF1 Séries Films (TF1 SF) continued its progress with all individuals aged 4+ and its core target audience of WPDM15-49. Audience share for individuals aged 4+ was 1.7% (i.e., +0.1pt over one year) and 2.6% for WPDM<50 (+0.1pt).

In evening slots, TF1 SF performed well in movies, notably with *l'Arme fatale* (up to 1.1 million viewers), American series (up to 0.7 million viewers for *Experts Miami*), and French drama (0.6 million viewers for *Camping Paradis*).

LCI

In a busy line-up for both domestic and international politics, LCI reported a +0.4pt increase in its audience share among individuals aged 4+, to 1.5% vs. last year.

In March, LCI achieved its best month in terms of advertising targets since March 2020 and managed to generate buzz by gathering 1.1 million viewers for the Péresse-Zemmour head-to-head televised debate.

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Theme channels (TV Breizh, Histoire TV and Ushuaïa TV)¹

In Q1 2022, all three theme channels saw high audience ratings:

- TV Breizh confirmed its leadership among individuals aged 4+ with a 0.8% audience share. TV Breizh was also the market leader with the W<50PDM target audience for the third time in a row with 0.7%.
- Ushuaïa turned in a record audience share performance, posting a year-on-year increase of 77% among individuals aged 4+. Over the first quarter of 2022, the channel continued to develop its events-focused policy with themed programming cycles (adventurer month, forest month, etc.).
- The Histoire TV channel delivered its second-best performance among individuals aged 4+ (+6% vs. 2021 for the same period). In first-quarter 2022, the channel also continued to develop thematic cycles influenced by historical anniversaries such as Molière's 400th birthday and 50 years since the Fight for the Larzac demonstrations.

e-TF1

The TF1 Group is pursuing its digital non-linear expansion strategy in line with and benefiting from synergies with linear activities.

e-TF1 revenue was up on Q1 2021, on the back of higher advertising and distribution revenue.

However, interactivity trended slightly downwards against a background of higher Q1 2021 audiences (curfews and remote working).

Q1 2022 operating profit increased compared with the year-earlier period.

Websites

On the *Marmiton* website, the number of sessions hit 151 million at end-March 2022. In early 2022, the launch of *Marmiton TV* as part of the Orange "Family" package reflects the appeal of the website and points to the synergies underway between the Group's content and methods of broadcasting.

The number of sessions on the *Doctissimo* website was 46 million.

Revenue from other activities

Advertising services

Advertising services revenue was up year-on-year at end-March 2022, largely fuelled by the influencer marketing activities of agencies such as Ykone and Magnetism.

Music/events

Revenue was up slightly versus end-March 2021, reflecting:

- Revenue growth in live show activities, and particularly at La Seine Musicale, following a Q1 2021 that was affected by health restrictions.
- This increase was partially offset by a moderate decrease in revenue for the Music division, linked to a lower number of releases compared with end-March 2021.

E-commerce

E-commerce revenue (subscription box sales) declined slightly year-on-year at end-March, reflecting lower sales in the *My Little Paris* and *Gambettes Box* lines.

¹ Audience data from the 42nd edition (September 2021 - February 2022) of *Médiamat*'Thématik.

Newen Studios

The Newen Studios group, which has operations in nine 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 €75.8 million in first-quarter 2022, up 16.1% year on year.

Newen Studios continued to expand internationally in the first three months, bolstered in particular by the contributions of the Izen studio in Spain and the Flare studio in Germany acquired in 2021.

Several projects were confirmed at the start of the year, including two productions ordered by international platforms from the Dutch studio Tuvalu, Nemesis for Disney+ and The Hunt for Jasper S. for Viaplay. These orders, added to those made in 2021 with Newen's European subsidiaries, demonstrate the group's know-how and ability to respond to positive trends in demand.

After Q1 2021 was boosted by a catch-up effect and more deliveries than usual for the start of the year, Newen Studios returned in Q1 2022 to a level of revenue and profitability consistent with the seasonal nature of its business.

The business line reported current operating profit of €2.7 million, a fall vs Q1 2021. The segment's current operating margin was 3.6%.

1.5 Corporate social responsibility

Sustainable society

Sundance Film Festival – Real Lava

Launched in December 2021 by Newen Studios and the Danish producer, Sigrid Dyekjaer, Real Lava has already enjoyed great success with its first production “The Territory”. The documentary film of the recently created production house scooped two awards at the Sundance Film Festival: World Cinema Documentary Audience Award & Special Jury Award for Documentary Craft. “The Territory” provides an immersive on-the-ground look at the tireless fight of the Indigenous Uru-eu-wau-wau people against the encroaching deforestation brought by illegal settlers and an association of non-native farmers in the Brazilian Amazon.

ISO 50001

Three years after obtaining its first certificate in 2018, the TF1 Group renewed its ISO 50001 certification with AFNOR (the French national organisation for standardisation) on 15 December, 2021. In particular, this award recognises a 33% decrease in energy consumption since 2011 in the Tour TF1 premises, which exceeded the initial reduction target set at 30% by 2025. Going forward, a new target of -35% has been set for 2025.

Luchon Film Festival

On 10 February, in celebration of the Climate and Environment Day organised by the Luchon Film Festival in partnership with the Ushuaïa TV channel, Christophe Sommet, Director of Ushuaïa TV, presented a Pyrenean Excellence Award to Yvan Bourgnon and Bertrand Piccard on behalf of the Festival, paying tribute to their commitment to the environment and clean technologies. In addition, during the awards ceremony of the Luchon Film Festival documentary competition, two films co-produced by Histoire TV and Ushuaïa TV received prizes: *Les Incorrectes: Alice Milliat et les débuts du sport au féminin* scooped the Special

History Award and *Le Message des Papillons* won the Special Science Award.

Solidarity

“Pièces Jaunes” charity appeal

To mark the 33rd annual “Pièces Jaunes” campaign, Brigitte Macron appeared as a special guest on the lunchtime TF1 news bulletin of 12 January (in her capacity as chair of the “Fondation des Hôpitaux” charity), to launch an appeal for donations to help children and adolescents undergoing hospital treatment and to connect families in hospitals.

The launch was backed by a range of connected news stories in TF1 bulletins; a comedy sketch starring Brigitte Macron and Didier Deschamps (the campaign’s patron) alongside Camille Combal and Denis Brogniart as well as reminders to donate across the Group’s programmes and on social networks. Screenings of the campaign ad were also broadcast on TF1 and LCI over the full period of the campaign (12 January to 5 February).

TF1 also dedicated a special week of the *12 coups de midi* quiz show to the appeal from 31 January to 6 February, and on 15 January screened a one-off edition of the *Grand Concours* brain-teaser quiz in which TF1 presenters and journalists competed for prize money to be donated to the “Fondation des Hôpitaux” charity. Over the two programmes, TF1 donated €203,000 of winnings to the charity.

Sidaction

The 2022 appeal for the Sidaction AIDS charity was launched on TF1’s news bulletin on 25 March, and featured in a number of items during the campaign weekend (26 to 28 March). TF1 Production also produced a short programme, *Ensemble contre le Sida* (“Together against AIDS”), screened on TF1 from 21 to 25 March and repeated on MyTF1. Furthermore, the episodes of *Ici Tout Commence* and *Demain Nous Appartient* broadcast on Monday 28 March discussed Sidaction. TF1 Group presenters and journalists appeared in charity appeal ads screened across the Group’s channels, and in

social media posts. Moreover, the *12 coups de midi* gameshow dedicated a special week to the charity, from 21 to 27 March, raising a total of €150,000.

Support for Ukraine

In support of the Ukrainian people and in response to the humanitarian emergency, the TF1 Group joined forces with the "Fondation de France" charity to launch a large-scale appeal for donations across all its channels, backed by important figures of the TF1 Group. From Friday 11 to Sunday 13 March, charity appeal ads featuring important TF1 Group figures such as Arthur, Denis Brogniart, Nikos Aliagas, Anne-Claire Coudray, Gilles Bouleau, Evelyne Dhéliat, Bénédicte Le Chatelier, Ruth Elkrief and Christophe Beaugrand, were widely broadcast on all of the Group's channels and repeated on social networks. In addition, the Group's hosts and presenters relayed the appeal for donations to help families affected by the conflict in Ukraine throughout the weekend in their programmes and newscasts.

Moreover, on Friday 11 March, the lunchtime bulletin slot with Jacques Legros and the entire TF1 news time dedicated a special "Solidarity with Ukrainians" feature using news stories to showcase generous initiatives throughout France.

Inclusion

#Sportfeminintoujours (#Womenssportinthedia)

From 14 to 20 February, the TF1 Group joined forces with the #SportFémininToujours (Women's sport in the media) operation which was kick-started by the French broadcasting regulatory authority (CSA). To honour the initiative, the Group's channels focused on promoting women's sport, highlighting women representation in sport. Features included topics on women's sports in the TF1 news bulletin, coverage of the French Women's Football Tournament on Téléfoot, a broadcast of the *Vis ma Vie* show and a report on women's sports on LCI. Repeats of the inspiring careers of sportswomen were also shown on the *aufeminin* website and social networks. In 2022, the Group's channels will broadcast the

Women's Rugby World Cup, the Women's European Handball Championships and the UEFA Women's EURO 2022, which will take place in England from 6 to 31 July 2022.

"Expertes à la Une"

To celebrate International Women's Day, the Group unveiled its second edition of the "Expertes à la Une" programme, developed by its News Division to increase the representation of women experts in news coverage on TF1 and LCI. With the French judoka and Olympic Champion, Clarisse Agbégénou, as honorary patron, the second intake of "Expertes à la Une" welcomes 15 professional women from sectors such as healthcare, research, defence, and business. For an entire year, the 15 experts will have the opportunity to benefit from a mentoring programme under the sponsorship of journalists, editors, and presenters from the TF1 and LCI news teams, including Anne-Claire Coudray and Gilles Bouleau.

1.6 Human resources update

As of 31 March 2022, the TF1 Group had 3,271 employees on permanent contracts.

1.7 Outlook

In 2022, taking into account consumers' new behaviour and extending the advertising offering to our advertiser customers will help to strengthen the Media business line, which is benefiting from strong growth in new services.

Newen Studios' contribution to the TF1 group's operating margin will remain accretive in 2022, against the backdrop of a buoyant market, notably propelled by the application of the European Audiovisual Media Services (AVMS) directive in France and in Europe. Together, our expertise and client knowledge will respond effectively to the increase in platform orders for local content.

The TF1 group considered at end-March that it was not economically directly impacted by the

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war in Ukraine. However, the development of the conflict could have an impact on the European economy and therefore indirectly on the group's activity. As it demonstrated in 2020 and 2021, the TF1 group will be watchful as to the costs incurred and will adapt, all the while benefitting from solid growth levers.

Proposed merger of the TF1 and M6 groups

The TF1 group notes that the proposed merger of the TF1 and M6 groups is subject to regulatory authorisation. In this respect, procedures with the French competition authority (ADLC) and the French regulatory authority for audiovisual and digital communication (ARCOM) are ongoing.

The ADLC was notified of the proposed merger on 17 February 2022. It is expected to give its decision in October. Regarding the French securities regulator (AMF), RTL, Bouygues and TF1 will submit their requests for exemptions from the mandatory filing of a proposed public offering¹ in May².

1.8 Corporate governance

The Board of Directors noted the resignation of Laurence Danon Arnaud from her TF1 Directorship, effective from the close of the Annual General Meeting of 14 April 2022, as the independence criterion relating to her term of office would no longer be respected starting in July 2022. The Board thanked her for her commitment and contribution to the work of the Board since July 2010 and that of the Audit Committee since June 2015.

The Board of Directors noted the renewal of the Directorships of Gilles Péliçon and Olivier Roussat and the reappointment as Independent Director of Marie Pic-Pâris Allavena at the

¹ In particular, based on the provisions of Article 234-9, 4° of the AMF General Regulation - combination of a capital contribution or merger proposed to the general shareholders' meeting and the conclusion of an agreement between the shareholders of the companies concerned constituting a joint action.

Annual General Meeting of 14 April 2022. It also noted the appointment of Orla Noonan as Independent Director and Sophie Leveaux and Farida Fekih as Employee Representative Directors at the Annual General Meeting of 14 April 2022.

The TF1 Board of Directors is comprised of 50% of female Directors and three female Independent Directors, for a proportion of 37.5%.

1.9 Diary dates

- 28 July 2022: 2022 first-half results
- 27 October 2022: 2022 nine-month results

These dates may be subject to change.

² Whereby, under Article 39 V of the French law of 1986 on the freedom of communication, an entity exceeding the threshold of a mandatory public offering is required to file a proposed public offering only to the amount of the portion of the share capital or voting rights allowing it to reach the limit of 49% of the share capital or voting rights.

2 Q1 2022 Condensed consolidated Financial Statements

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

Consolidated income statement

(€m)	3 months to 31 March	3 months to 31 March	Full year
	2022	2021	2021
Revenue	561.3	509.8	2,427.1
Other income from operations	8.1	6.9	29.4
Purchases consumed	(200.3)	(177.5)	(882.3)
Staff costs	(141.5)	(109.0)	(575.9)
External expenses	(153.4)	(98.9)	(464.0)
Taxes other than income taxes	(26.9)	(25.9)	(102.5)
Net charges for depreciation, amortization and impairment losses on property, plant & equipment and intangible assets	(92.6)	(84.0)	(371.0)
Net amortisation expense on right of use of leased assets	(5.6)	(5.3)	(21.5)
Charges to provisions and other impairment losses, net of reversals due to utilization	1.6	8.7	5.2
Other current operating income	138.7	72.4	487.6
Other current operating expenses	(29.8)	(40.4)	(188.9)
Current operating profit/(loss)	59.6	56.8	343.2
Non-current operating income	-	-	-
Non-current operating expenses	(3.4)	-	(10.3)
Operating profit/(loss)	56.2	56.8	332.9
Financial income	0.3	0.5	1.5
Financial expenses	(0.5)	(0.6)	(3.0)
Income from net surplus cash/(cost of net debt)	(0.2)	(0.1)	(1.5)
Interest expense on lease obligations	(0.8)	(0.8)	(2.8)
Other financial income	1.0	0.4	2.2
Other financial expenses	(3.8)	(4.0)	(7.9)
Income tax expense	(11.8)	(11.9)	(70.4)
Share of net profits/(losses) of joint ventures and associates	(6.8)	(6.5)	(28.5)
Net profit/(loss) from continuing operations	33.8	33.9	224.0
Net profit/(loss) from discontinued operations	-	-	-
Net profit/(loss) for the period	33.8	33.9	224.0
<i>Net profit/(loss) attributable to the Group</i>	<i>34.1</i>	<i>34.3</i>	<i>225.3</i>
<i>Net profit/(loss) attributable to non-controlling interests</i>	<i>(0.3)</i>	<i>(0.4)</i>	<i>(1.3)</i>
Basic earnings per share from continuing operations (€)	0.16	0.16	1.07
Diluted earnings per share from continuing operations (€)	0.16	0.16	1.07

Statement of recognised income and expense

(€m)	3 months to 31 March 2022	3 months to 31 March 2021	Full year 2021
Net profit/(loss) for the period	33.8	33.9	224.0
Items not reclassifiable to profit or loss			
Actuarial gains/(losses) on post-employment benefits			2.6
Fair value remeasurement of investments in equity instruments	(0.4)	5.1	5.1
Taxes on items not reclassifiable to profit or loss	0.1		(0.7)
Share of non-reclassifiable income and expense of joint ventures and associates		0.4	0.4
Items reclassifiable to profit or loss			
Remeasurement of hedging assets		0.8	(0.5)
Translation adjustments	1.3	0.5	2.8
Taxes on items reclassifiable to profit or loss		(0.2)	0.1
Share of reclassifiable income and expense of joint ventures and associates			
Income and expense recognised directly in equity	1.0	6.6	9.8
Total recognised income & expense	34.8	40.5	233.8
<i>Recognised income & expense attributable to the Group</i>	35.1	40.9	235.1
<i>Recognised income & expense attributable to non-controlling interests</i>	(0.3)	(0.4)	(1.3)

Consolidated cash flow statement

(€m)	Note	3 months to 31 March 2022	3 months to 31 March 2021	Full year 2021
Net profit/(loss) from continuing operations		33.8	33.9	224.0
Net charges to/(reversals of) depreciation, amortisation, impairment of property, plant and equipment and intangible assets, and non-current provisions		93.8	84.9	378.7
Amortisation, impairment and other adjustments on right of use of leased assets		5.8	5.2	18.6
Other non-cash income and expenses		(9.4)	(12.2)	(64.9)
Gains and losses on asset disposals		0.8	(1.6)	(10.2)
Share of profits/losses reverting to joint ventures and associates, net of dividends received		6.8	6.5	29.7
Dividends from non-consolidated companies		-	-	(0.1)
Income taxes paid		(12.5)	(11.7)	(63.1)
Income taxes, including uncertain tax positions		11.8	11.9	70.4
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid		130.9	116.9	583.1
Reclassification of cost of net debt/income from net surplus cash and interest expense on lease obligations		1.0	0.9	4.3
Changes in working capital requirements related to operating activities (including current impairment and provisions) ⁽¹⁾		132.3	4.4	55.1
Net cash generated by/(used in) operating activities		264.2	122.2	642.5
Purchase price of property, plant and equipment and intangible assets ⁽²⁾		(66.0)	(49.1)	(330.8)
Proceeds from disposals of property, plant & equipment and intangible assets		0.3	0.1	1.5
Net liabilities related to property, plant & equipment and intangible assets		(1.6)	(4.6)	(1.3)
Purchase price of non-consolidated companies and other investments		(1.1)	-	(0.3)
Proceeds from disposals of non-consolidated companies and other investments		(0.1)	5.1	5.1
Net liabilities related to non-consolidated companies and other investments		-	-	-
Purchase price of investments in consolidated activities		(0.1)	(3.0)	(38.3)
Proceeds from disposals of consolidated activities		0.6	11.0	38.0
Net liabilities related to consolidated activities		-	-	8.0
Other changes in scope of consolidation (cash of acquired or divested entities)		0.8	(0.2)	(4.4)
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies		(7.5)	(16.1)	13.8
Net cash generated by/(used in) investing activities		(74.7)	(56.8)	(308.7)
Capital increases/(reductions) paid by shareholders and non-controlling interests		0.1	(2.5)	(11.3)
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	(8.0)	12.5	3.2
Repayments of lease obligations	7	(5.9)	(5.3)	(19.3)
Income from net surplus cash/cost of net debt and interest expense on lease obligations		(1.2)	(0.7)	(4.8)
Other cash flows related to financing activities		-	-	-
Net cash generated by/(used in) financing activities		(15.0)	4.0	(129.4)
EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS		0.2	0.3	0.7
CHANGE IN NET CASH POSITION		174.7	69.7	205.0
Net cash position at start of period		379.7	174.6	174.6
Net cash flows		174.7	69.7	205.1
Net cash position at end of period	7	554.4	244.3	379.7

⁽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

⁽²⁾ Includes audiovisual rights acquired by the Media and Newen segments (net of grants received), representing net cash outflows of €13.5 million and €41.7 million respectively in the first quarter of 2022 (versus €21 million and €18.6 million in the first quarter of 2021).

Consolidated balance sheet - Assets

ASSETS (€m)	Note	31/03/2022	31/12/2021	31/03/2021
Goodwill	5	799.4	799.7	779.1
Intangible assets		351.8	364.6	318.8
Property, plant and equipment		221.8	221.5	216.7
Right of use of leased assets		83.8	58.5	83.6
Investments in joint ventures and associates	6	16.9	16.5	14.8
Other non-current financial assets		18.0	15.3	65.2
Deferred tax assets		-	-	-
Total non-current assets		1,491.7	1,476.1	1,478.2
Inventories		442.6	443.9	499.4
Advances and down-payments made on orders		128.7	121.5	139.2
Trade receivables		736.9	830.2	684.2
Customer contract assets		-	-	-
Current tax assets		-	-	5.8
Other current receivables		446.1	465.7	396.2
Financial instruments - Hedging of debt		-	-	-
Other current financial assets		1.0	0.2	0.6
Cash and cash equivalents	7	556.4	384.0	245.3
Total current assets		2,311.7	2,245.5	1,970.7
Held-for-sale assets and operations		-	-	-
TOTAL ASSETS		3,803.4	3,721.6	3,448.9
Net surplus cash/(net debt)	7	379.4	198.5	50.7

Consolidated balance sheet – Liabilities and equity

SHAREHOLDERS' EQUITY AND LIABILITIES (€m)	Note	31/03/2022	31/12/2021	31/03/2021
Share capital		42.1	42.1	42.1
Share premium and reserves		1,718.0	1,499.0	1,570.0
Translation reserve		3.3	1.7	0.2
Treasury shares		-	-	-
Net profit/(loss) attributable to the Group		34.1	225.3	34.3
Shareholders' equity attributable to the Group		1,797.5	1,768.1	1,646.6
Non-controlling interests		(1.4)	(1.2)	(4.4)
Total shareholders' equity		1,796.1	1,766.9	1,642.2
Non-current debt	7	110.5	109.3	149.0
Non-current lease obligations	7	66.9	44.0	67.7
Non-current provisions		46.0	46.2	55.6
Deferred tax liabilities		29.0	29.6	25.3
Total non-current liabilities		252.4	229.1	297.6
Current debt	7	64.5	71.9	44.6
Current lease obligations	7	21.4	19.7	21.9
Trade payables		699.0	686.2	657.0
Customer contract liabilities		41.7	40.5	32.9
Current provisions		34.6	27.2	16.9
Other current liabilities		884.8	874.1	734.6
Overdrafts and short-term bank borrowings	7	2.0	4.3	1.0
Current tax liabilities		4.4	0.4	-
Other current financial liabilities		2.5	1.3	0.2
Total current liabilities		1,754.9	1,725.6	1,509.1
Liabilities related to held-for-sale operations		-	-	-
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		3,803.4	3,721.6	3,448.9

Consolidated statement of changes in shareholders' equity

	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 31/12/2020 (RESTATED) ⁽¹⁾	62.3	1,345.0	269.5	-	(70.3)	1,606.5	(0.8)	1,605.7
Movements in first quarter of 2021								
Net profit/(loss) for the period	-	-	34.3	-	-	34.3	(0.4)	33.9
Income and expense recognised directly in equity	-	-	-	-	6.6	6.6	-	6.6
Total comprehensive income	-	-	34.3	-	6.6	40.9	(0.4)	40.5
Share capital and reserves transactions, net	-	-	-	-	-	-	-	-
Acquisitions & disposals of treasury shares	-	-	-	-	-	-	-	-
Acquisitions & disposals without loss of control	-	-	2.9	-	-	2.9	(3.2)	(0.3)
Dividends distributed	-	-	-	-	-	-	-	-
Share-based payment	-	-	-	-	-	-	-	-
Other transactions (changes in scope of consolidation, other transactions with shareholders, & other items)	-	-	6.2	-	-	6.2	-	6.2
POSITION AT 31/03/2021	62.3	1,345.0	312.9	-	(63.7)	1,656.5	(4.4)	1,652.1
Movements in last 9 months of 2021								
Net profit/(loss) for the period	-	-	191.0	-	-	191.0	(0.9)	190.1
Income and expense recognised directly in equity	-	-	-	-	3.2	3.2	-	3.2
Total comprehensive income	-	-	191.0	-	3.2	194.2	(0.9)	193.3
Share capital and reserves transactions, net	-	(294.2)	294.2	-	-	-	-	-
Acquisitions & disposals of treasury shares	-	-	-	-	-	-	-	-
Acquisitions & disposals without loss of control	-	-	0.3	-	-	0.3	3.1	3.4
Dividends distributed	-	-	(94.7)	-	-	(94.7)	(2.5)	(97.2)
Share-based payment	-	-	1.6	-	-	1.6	-	1.6
Other transactions (changes in scope of consolidation, other transactions with shareholders, & other items)	-	-	10.2	-	-	10.2	3.5	13.7
POSITION AT 31/12/2021	62.3	1,050.8	715.5	-	(60.5)	1,768.1	(1.2)	1,766.9
Movements in first quarter of 2022								
Net profit/(loss) for the period	-	-	34.1	-	-	34.1	(0.3)	33.8
Income and expense recognised directly in equity	-	-	-	-	1.0	1.0	-	1.0
Total comprehensive income	-	-	34.1	-	1.0	35.1	(0.3)	34.8
Share capital and reserves transactions, net	-	-	-	-	-	-	-	-
Acquisitions & disposals of treasury shares	-	-	-	-	-	-	-	-
Acquisitions & disposals without loss of control	-	-	-	-	-	-	-	-
Dividends distributed	-	-	-	-	-	-	-	-
Share-based payment	-	-	(0.2)	-	-	(0.2)	-	(0.2)
Other transactions (changes in scope of consolidation, other transactions with shareholders, & other items)	-	-	(5.5)	-	-	(5.5)	0.1	(5.4)
POSITION AT 31/03/2022	62.3	1,050.8	743.9	-	(59.5)	1,797.5	(1.4)	1,796.1

(1) Shareholders' equity as of 31 December 2020 has been restated for the effects of applying the IFRS IC Agenda Decision on the method for calculating the period of service used when measuring the provision for lump-sum retirement benefits.

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 (i) regulatory clearance from the relevant authorities, i.e. the French competition authority (ADLC) and French media regulator (ARCOM), the processes for which are ongoing and (ii) the holding of general meetings of TF1 and M6 shareholders.

On 1 March 2022, the TF1 group announced that Altice Media had entered into a purchase agreement in respect of the TFX channel (DTT channel 11), and that the Group had granted an exclusivity clause in favour of Altice Media. On 8 April 2022, the TF1 group announced the finalisation of the agreements relating to the sale of TFX in the event that the proposed merger with the M6 group is approved.

Completion of the sale is subject to:

- clearance from the relevant authorities (ADLC and ARCOM); and
- completion of the proposed merger between the TF1 group and the M6 group.

The TFX channel will remain under the full control of the TF1 group throughout 2022. The sale of TFX would be tied into the proposed merger between the TF1 and M6 groups announced on 17 May 2021, and would help the combined group comply with legislation by avoiding its being in the position of owning more than seven national DTT channels.

On 24 March 2022, the TF1 group and the M6 group signed an agreement relating to the buyout of the 33.33% equity interest held by France Télévisions in Salto (the subscription video on demand service owned in equal shares by France Télévisions, TF1 and M6) in the event that the proposed merger with the M6 group is approved.

Under the terms of the agreement, the TF1 and M6 groups undertook that if the merger is completed, they will buy out the 33.33% equity interest held by France Télévisions at a definitive value of €45 million.

Salto will remain under the joint control of its three shareholders throughout 2022 to facilitate the ongoing development of the platform.

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The TF1 group has decided to recognise external expenses incurred in connection with the proposed merger of the TF1 and M6 groups within "Non-current operating expenses". The amount of external expenses incurred in connection with the transaction in the first quarter of 2022 was €3.4 million.

1-2. Judgment against Molotov for copyright infringement

Molotov TV filed an action against the TF1 group in the Commercial Court on 10 November 2020, seeking damages for unfair contractual terms and violation of TF1's undertakings regarding Salto.

On 7 January 2022, the Paris Judicial Court ordered Molotov to pay €8.5 million in damages. Because this was a summary judgment, the funds had been paid over to the TF1 group by 31 March 2022. On 7 March 2022, Molotov lodged an appeal against the judgment; the amount recognised in profit or loss for the period takes account of the ongoing appeal process.

1-3. Military conflict between Russia and Ukraine

On 24 February, a military conflict broke out between Russia and Ukraine. Because TF1 has only very limited operations in those two countries (2021 revenue of €87,000 in Russia and €24,000 in Ukraine), it is not directly impacted by the ongoing conflict.

However, the Group believes that the economic sanctions imposed on Russia by the European Union and various nation states will have an overall impact on the global economy, and is paying very close attention to the developing situation and to the effects of the conflict on the global economy and financial markets.

1-4. Possible end to broadcasting of the daily soap "Plus Belle la Vie"

During the first quarter of 2022, Newen was informed by France Télévisions that it might stop broadcasting the daily soap "Plus Belle la Vie". Since then, discussions and negotiations have been ongoing between the parties with a view to ensuring that any cancellation of the show would have a limited effect on the current financial year. The TF1 group will make every effort to find solutions to mitigate the effect on future years if this decision is confirmed.

2 Accounting principles and policies

2-1. Declaration of compliance and basis of preparation

The condensed interim consolidated financial statements as of 31 March 2022 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 2021 as presented in the Universal Registration Document filed with the AMF on 10 March 2022 as no. D.22-0082.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 31 March 2022. 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 31 March 2022, 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 2022

The TF1 group applied the same standards, interpretations and accounting policies in the three months ended 31 March 2022 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 2022 (see below).

Amendments to IAS 37

On 14 May 2020, the IASB issued amendments to IAS 37, relating to onerous contracts. The amendments clarify what costs an entity considers in determining the cost of fulfilling a contract, in order to assess whether that contract is onerous. The impact of those amendments on the TF1 group is currently being assessed, but is not expected to be material.

Amendments to IAS 16

On 2 July 2021, the IASB issued amendments to IAS 16, relating to how entities account for the net proceeds generated by an item of property, plant and equipment while that item is being brought to the location and condition necessary for it to be operated. The amendments prohibit entities from deducting such proceeds from the cost of the item; rather, the proceeds generated by the sale and the corresponding costs must be recognised in profit or loss. The impact of those amendments on the TF1 group is currently being assessed, but is not expected to be material.

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As regards the IFRS IC Agenda Decision on IAS 38, as mentioned in the notes to the consolidated financial statements for the year ended 31 December 2021, the review of the costs of configuring or customising application software in a Software as a Service (SaaS) arrangement is ongoing, and will be completed in 2022. At this stage of the review, the impact on the Group appears to be immaterial.

2-3. Changes in accounting policy

The TF1 group has not made any changes in accounting policy during 2022 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 2021. 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. As required under IFRS, revenue for interim periods is recognised on the same basis as is used in preparing the annual financial statements.

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.

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(€m)	MEDIA (1) & (2)	BROADCASTING	NEWEN STUDIOS	STUDIOS & ENTERTAINMENT (2) & (3)	DIGITAL (1)	TOTAL TF1 GROUP			
	Q1 2022	Q1 2021 restated	Q1 2021 published	Q1 2022	Q1 2021 restated	Q1 2021 published	Q1 2021 published	Q1 2022	Q1 2021
SEGMENTAL INCOME STATEMENT									
Segment revenue	488.5	449.4	399.8	86.7	71.6	84.0	37.2	575.3	521.0
Elimination of inter-segment transactions	(3.0)	(4.9)	(4.5)	(11.0)	(6.3)	(6.3)	(0.4)	(14.0)	(11.2)
GROUP REVENUE CONTRIBUTION	485.5	444.5	395.3	75.8	65.3	77.7	36.8	561.3	509.8
of which Advertising revenue	377.1	357.8	344.1	0.0	0.1	0.1	13.7	377.1	357.9
of which Other revenue	108.4	86.7	51.2	75.8	65.2	77.7	23.0	184.2	151.9
CURRENT OPERATING PROFIT/(LOSS)	56.9	46.8	47.4	2.7	10.0	11.7	(2.3)	59.6	56.8
% operating margin on Group contribution	11.7%	10.5%	12.0%	3.6%	15.3%	15.1%	-6.3%	10.6%	11.1%
Interest expense on lease obligations	(0.5)	(0.5)	(0.4)	(0.3)	(0.3)	(0.3)	(0.1)	(0.8)	(0.8)
CURRENT OPERATING PROFIT/(LOSS) after leases	56.4	46.3	47.0	2.4	9.7	11.4	(2.4)	58.8	56.0
Share of net profits/(losses) of joint ventures and associates	(6.1)	(6.4)	(6.4)	(0.7)	(0.1)	(0.1)	-	(6.8)	(6.5)

(1) Digital division incorporated in the Media segment (formerly Broadcasting) for Q1 2021 restated.

(2) Music/Entertainment division reclassified to the Media segment (formerly Broadcasting) for Q1 2021 restated.

(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 consolidated revenue for the first quarter of 2022 breaks down as follows:

Q1 2022	(€m)	Q1 2022	Q1 2021 restated	Q1 2021 published	Chg €m	Chg %
67.2%	Advertising revenue	377.1	357.8	344.1	19.3	5%
	of which Digital advertising revenue (5)	30.2	27.9	-	2.3	8%
19.3%	Other revenue	108.4	86.7	51.2	21.7	25%
	Media	485.5	444.5	395.3	41.0	9%
6.5%	Newen - France	36.4	40.8	-	(4.4)	-11%
7.0%	Newen - Other countries	39.4	22.3	-	17.1	77%
	Production/sale of audiovisual rights	-	-	63.1	-	-
	Games, music, live shows & distance selling (1) (2)	-	2.2	14.6	(2.2)	-100%
	Newen Studios (4)	75.8	65.3	77.7	10.5	16%
	Web publishers (digital content, social e-commerce)	-	-	13.7	-	-
	Social e-commerce	-	-	13.5	-	-
	Business solution marketing	-	-	9.6	-	-
	Digital (3)	-	-	36.8	-	-
	Total revenue	561.3	509.8	509.8	51.5	10%

(1) Music/Entertainment division reclassified to the Media segment (formerly Broadcasting) for Q1 2021 restated.

(2) TF1 Games division retained within the Studios & Entertainment segment (renamed Newen Studios) until its divestment in April 2021.

(3) Digital division revenue incorporated in the Media segment (formerly Broadcasting) and split between "Advertising revenue" and "Other revenue" for Q1 2021 restated.

(4) Newen Studios revenue split between France and other countries for Q1 2021 restated.

(5) Digital advertising revenue, combining advertising revenue from MyTF1/LCI and 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 ⁽²⁾	TOTAL
Goodwill at 1 January 2021	408.4	190.6	187.3	786.3
Acquisitions	-	-	-	-
Disposals ⁽¹⁾	-	-	(7.9)	(7.9)
Translation adjustments	-	0.7	-	0.7
Other adjustments	-	-	-	-
Reclassifications	-	-	-	-
Impairment	-	-	-	-
Goodwill at 31 March 2021	408.4	191.3	179.4	779.1
Goodwill at 1 January 2022	586.1	213.6	-	799.7
Acquisitions	-	-	-	-
Disposals	(0.1)	-	-	(0.1)
Translation adjustments	-	0.4	-	0.4
Other adjustments	-	(0.6)	-	(0.6)
Reclassifications	-	-	-	-
Impairment	-	-	-	-
Goodwill at 31 March 2022	586.0	213.4	-	799.4

⁽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⁾ As explained in the notes to the 2021 first-half consolidated financial statements, the former Digital segment has been incorporated within the Media segment.

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 2021	10.7	-	0.3	11.0
Share of profit/(loss) for the period	0.3	(6.7)	-	(6.4)
Provision for impairment	-	-	-	-
Dividends paid	-	-	-	-
Changes in scope of consolidation and reclassifications	-	6.7	3.5	10.2
Other	-	-	-	-
31 March 2021	11.0	-	3.8	14.8
1 January 2022	9.6	-	6.9	16.5
Share of profit/(loss) for the period	0.1	(6.2)	(0.7)	(6.8)
Provision for impairment	-	-	-	-
Dividends paid	-	-	-	-
Changes in scope of consolidation and reclassifications	-	6.2	1.0	7.2
Other	-	-	-	-
31 March 2022	9.7	-	7.2	16.9

⁽¹⁾ In 2022 (as in 2021 and 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 €3.5 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)	31/12/2021	Translation adjustments	Changes in scope of consolidation	Cash flows ⁽¹⁾	Changes in fair value via equity or profit/loss	Other movements	31/03/2022
Cash and cash equivalents	384.0		(1.4)	173.8			556.4
Financial assets used for treasury management purposes	-						
Overdrafts and short-term bank borrowings	(4.3)		-	2.3			(2.0)
Net cash position	379.7		(1.4)	176.1		-	554.4
Interest rate derivatives - assets	-						-
Interest rate derivatives - liabilities	-						-
Fair value of interest rate derivatives	-						-
Non-current borrowings	(109.3)	(1.7)	-	2.5	(1.3)	(0.7)	(110.5)
Current debt excluding overdrafts and short-term bank borrowings	(71.9)	(0.1)	-	5.5	(0.3)	2.3	(64.5)
Total debt	(181.2)	(1.8)	-	8.0	(1.6)	1.6	(175.0)
Net surplus cash/(net debt)	198.5	(1.8)	(1.4)	184.1	(1.6)	1.6	379.4
Lease obligations ⁽²⁾	(63.7)		-	5.9		(30.5)	(88.3)
Net surplus cash/(net debt) including lease obligations	134.8	(1.8)	(1.4)	190.0	(1.6)	(28.9)	291.1

⁽¹⁾ The net cash outflow of €8 million shown within “Net cash generated by/(used in) financing activities” in the 2022 cash flow statement comprises a cash inflow of €2.4 million and a cash outflow of €10.4 million.

⁽²⁾ The negative movement of €30.5 million in the “Other movements” column for lease obligations in the first quarter of 2022 is due to Newen taking occupancy of its premises under a new contract signed in 2021 which qualifies as a lease under IFRS 16, and which was presented as an off balance sheet commitment as of 31 December 2021 (see Note 9.1.2 – Reciprocal financial commitments, in the 2021 consolidated financial statements).

As of 31 March 2022, 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 31 March 2022, drawdowns amounted to €65 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)	31/03/2022	31/12/2021
Cash and cash equivalents in the balance sheet	556.4	384.0
Cash of held-for-sale operations	-	-
Treasury current account credit balances	-	-
Short-term bank borrowings	(2.0)	(4.3)
Total cash position at period-end per the cash flow statement	554.4	379.7

8 Dividends paid

The table below shows the dividend per share to be paid by the TF1 Group on 25 April 2022 in respect of the 2021 financial year.

	Paid in 2022	Paid in 2021
Total dividend (€m)	94.7	94.7
Dividend per ordinary share (€)	0.45	0.45

9 Events after the reporting period

No events after the reporting period have been identified.

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