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2021 FINANCIAL STATEMENTS AND RELATED NOTES

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6.1 CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

6.1.1 Consolidated statement of financial position

ASSETS

(€ millions)	Note n°	2021	2020
Goodwill	13/14	332.5	282.2
Audiovisual rights	13	60.5	43.5
Other intangible assets	13	211.0	209.8
INTANGIBLE ASSETS		604.0	535.5
Land	15	19.1	19.1
Buildings	15	50.5	54.0
Right-of-use assets	15	19.4	24.4
Other property, facilities and equipment	15	32.2	34.7
PROPERTY, FACILITIES AND EQUIPMENT		121.2	132.1
Equity instruments measured at fair value	18.1	6.8	4.3
Other non-current financial assets	18.1	28.2	23.7
Investments in joint ventures and associates	17	107.8	122.2
FINANCIAL ASSETS		142.7	150.2
Deferred tax assets	10	0.9	-
NON-CURRENT ASSETS		868.8	817.9
Broadcasting rights inventory	16	272.8	263.9
Other inventories	16	10.5	6.1
Net trade receivables	18.1	352.0	360.5
Current tax		0.6	10.7
Derivative financial instruments	19.3	0.1	-
Other current financial assets	18.1	7.1	11.8
Other current assets	18.1	170.4	193.6
Cash and cash equivalents	18.1	349.0	197.0
CURRENT ASSETS		1,162.4	1,043.6
TOTAL ASSETS		2,031.2	1,861.5

EQUITY AND LIABILITIES

(€ millions)	Note n°	2021	2020
Share capital		50.6	50.6
Share premium		7.6	7.6
Treasury shares		(3.1)	(6.9)
Consolidated reserves		827.9	740.0
Other reserves		(7.3)	(7.7)
Net profit for the year (Group share)		280.9	276.7
GROUP EQUITY		1,156.4	1,060.3
Non-controlling interests		14.8	7.7
SHAREHOLDERS' EQUITY	20	1,171.2	1,068.0
Provisions	21/22	41.1	42.8
Financial debt	18.2	126.0	126.2
Lease liabilities	18.2	17.4	22.2
Other financial liabilities	18.2	-	2.8
Other liabilities	18.2	0.2	0.5
Deferred tax liabilities	10	18.2	15.7
NON-CURRENT LIABILITIES		203.0	210.2
Provisions	22	33.4	32.0
Financial debt	18.2	1.1	0.7
Lease liabilities	18.2	4.9	5.6
Derivative financial instruments	19.3	-	0.2
Other financial liabilities	18.2	11.2	4.3
Trade payables	18.2	432.0	384.3
Other operating liabilities	18.2	20.3	12.9
Current tax		7.0	0.7
Tax and social security payable	18.2	129.2	121.4
Liabilities relating to non-current assets	18.2	17.9	21.1
CURRENT LIABILITIES		657.0	583.2
TOTAL EQUITY AND LIABILITIES		2,031.2	1,861.5

6.1.2 Consolidated statement of comprehensive income

CONSOLIDATED INCOME STATEMENT

(€ millions)	Note n°	2021	2020
Revenue	6	1,390.4	1,273.6
Other operating revenues	7.1	45.4	14.7
Total operating revenues		1,435.7	1,288.2
Materials and other operating expenses	7.2	(699.6)	(631.0)
Personnel costs (including profit sharing plan contributions)	7.3	(249.1)	(246.1)
Taxes and duties		(52.7)	(44.8)
Amortisation, depreciation and impairment charges (net of reversals)	7.4	(88.9)	(97.6)
Depreciation charge of right-of-use assets	7.4	(5.1)	(7.1)
Impairment of unamortised intangible assets	7.4 / 14	(5.1)	(4.1)
Total operating expenses		(1,100.4)	(1,030.7)
Capital gains on disposals / equity investment revaluations		55.2	123.5
Operating profit		390.5	381.0
Income from cash and cash equivalents		0.6	0.2
Cost of debt		(2.0)	(2.3)
Lease liability interest expense		(0.4)	(0.7)
Other financial items		0.4	(2.2)
Net financial income/(expense)	9	(1.4)	(4.9)
Share of profit of joint ventures and associates	17	(30.9)	(11.1)
Profit before tax		358.2	365.0
Income tax	10	(77.4)	(88.5)
Net profit from continuing operations		280.8	276.6
Net profit for the year		280.8	276.6
attributable to the Group	11	280.9	276.7
attributable to non-controlling interests		0.0	(0.1)
Earnings per share - basic (€) - Group share	11	2.226	2.200
Earnings per share from continuing operations - basic (€) - Group share	11	2.226	2.200
Earnings per share - diluted (€) - Group share	11	2.218	2.192
Earnings per share from continuing operations - diluted (€) - Group share	11	2.218	2.192

CONSOLIDATED COMPREHENSIVE INCOME

(€ millions)	Note n°	2021	2020
Consolidated net profit		280.8	276.6
<i>Other items of comprehensive income transferable to the income statement:</i>			
Change in value of derivative instruments		(1.0)	2.9
Change in value of translation adjustment		(0.4)	(1.0)
Tax on transferable items	10	0.1	(0.9)
<i>Other items of comprehensive income non-transferable to the income statement:</i>			
Actuarial gains and losses		1.6	2.1
Tax on non-transferable items	10	(0.6)	(0.5)
Other items of comprehensive income	20.3	(0.3)	2.5
Comprehensive income for the year		280.5	279.1
attributable to the Group		280.6	279.3
attributable to non-controlling interests		(0.1)	(0.1)

6.1.3 Consolidated statement of cash flows

(€ millions)	Note n°	2021	2020
Operating profit from continuing operations		390.5	381.0
Non-current asset amortisation, depreciation and provisions		95.8	87.0
Depreciation of right-of-use assets		5.1	7.1
Capital gains (losses) on disposals/ revaluations		(55.7)	(123.1)
Other non-cash items		5.8	5.3
Operating profit after restatement for non-cash items		441.5	357.3
Income from cash and cash equivalents		2.2	0.4
Interest paid		(2.0)	(3.0)
Lease liability interest expense		(0.4)	(0.7)
SELF-FINANCING CAPACITY BEFORE TAX		441.3	354.0
Movements in inventories	16	(13.3)	15.7
Movements in net trade receivables	18	28.7	14.2
Movements in operating liabilities	18	58.0	(38.1)
NET MOVEMENT IN WORKING CAPITAL REQUIREMENTS		73.4	(8.2)
Income tax paid		(59.2)	(99.2)
CASH FLOW FROM OPERATING ACTIVITIES		455.4	246.6
Investment activities			
Intangible assets acquisitions	13	(91.6)	(67.7)
Property, facilities & equipment acquisitions	15	(10.1)	(8.8)
Investment acquisitions		(5.1)	-
Cash and cash equivalents arising from subsidiary acquisitions		18.0	(5.8)
Cash and cash equivalents arising from subsidiary disposals		13.2	39.2
Intangible assets and property, facilities & equipment disposals	13/15	1.3	0.7
Disposals of investments		2.7	-
Dividends received	17	4.6	2.4
CASH FLOW FROM INVESTMENT ACTIVITIES		(66.9)	(40.1)
Financing activities			
Financial assets	18	(37.3)	(20.1)
New borrowings and other financial liabilities	18	0.2	180.8
Repayment of borrowings and other financial liabilities	18	(0.1)	(205.0)
Lease repayments	18	(5.5)	(6.6)
Purchase and sale of treasury shares	20	(4.6)	(3.9)
Dividends paid	12	(189.4)	-
CASH FLOW FROM FINANCING ACTIVITIES		(236.7)	(54.9)
Translation effect on cash and cash equivalents		0.2	(0.5)
NET CHANGE IN CASH AND CASH EQUIVALENTS	18	152.0	151.1
Cash and cash equivalents - start of year	18	197.0	45.9
CASH AND CASH EQUIVALENTS - END OF YEAR		349.0	197.0

6.1.4 Consolidated statement of changes in equity

(€ millions)	Number of shares (thousands)	Share capital	Share premium	Treasury shares	Consolidated reserves Group net profit	Fair value movements & Foreign exchange difference	Equity - Group share	Non- controlling interests	Share- holders' equity
BALANCE AT 1 JANUARY 2020	126,414.2	50.6	7.6	(12.2)	734.9	(8.7)	772.2	-	772.2
Change in value of derivative instruments						2.0	2.0		2.0
Change in value of equity instruments						-	-		-
Actuarial gains and losses					1.5		1.5		1.5
Foreign exchange difference						(1.0)	(1.0)		(1.0)
Other items of comprehensive income					1.5	1.0	2.5		2.5
Consolidated net profit for the year					276.7		276.7	(0.1)	276.6
Total comprehensive income for the year					278.3	1.0	279.3	(0.1)	279.1
Dividends paid									
Purchase and sale of treasury shares				5.3	(6.3)		(1.0)		(1.0)
Total shareholder transactions				5.3	(6.3)		(1.0)		(1.0)
Cost of performance shares (IFRS 2)					4.8		4.8		4.8
Performance share allocation hedging instruments					0.3		0.3		0.3
Other movements					4.7		4.7	7.8	12.5
BALANCE AT 31 DECEMBER 2020	126,414.2	50.6	7.6	(6.9)	1,016.7	(7.7)	1,060.3	7.7	1,068.0
BALANCE AT 1 JANUARY 2021	126,414.2	50.6	7.6	(6.9)	1,016.7	(7.7)	1,060.3	7.7	1,068.0
Impacts of IFRIC's "IAS 19" decision on shareholders' equity opening balance (1)					1.3		1.3	0.0	1.3
BALANCE AT 1 JANUARY 2021 RESTATED	126,414.2	50.6	7.6	(6.9)	1,018.1	(7.7)	1,061.6	7.7	1,069.3
Change in value of derivative instruments						(0.9)	(0.9)		(0.9)
Change in value of equity instruments						-	-		-
Actuarial gains and losses					1.0		1.0		1.0
Foreign exchange difference					(1.5)	1.2	(0.3)	-	(0.4)
Other items of comprehensive income					(0.6)	0.3	(0.2)	-	(0.3)
Consolidated net profit for the year					280.9		280.9	0.0	280.8
Total comprehensive income for the year					280.3	0.3	280.6	(0.1)	280.5
Dividends paid					(189.4)		(189.4)	(0.1)	(189.5)
Purchase and sale of treasury shares				3.8	(6.0)		(2.2)		(2.2)
Total shareholder transactions				3.8	(195.5)		(191.6)	(0.1)	(191.8)
Cost of performance shares (IFRS 2)					5.8		5.8		5.8
Performance share allocation hedging instruments					0.1		0.1		0.1
Other movements					-		-	7.3	7.3
BALANCE AT 31 DECEMBER 2021	126,414.2	50.6	7.6	(3.1)	1,108.7	(7.3)	1,156.4	14.8	1,171.2

⁽¹⁾ Opening equity at 1 January 2021 has been adjusted for the effects of the IFRIC decision on IAS 19 - Attributing Benefit to Periods of Service, initially applied by the Group with effect from that date without any adjustment being applied to comparative figures (see Note 4 - Changes in methods).

6.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Unless otherwise stated, all amounts presented in the notes are expressed in millions of Euros.

1. Company information

The consolidated financial statements at 31 December 2021 of the Group of which Métropole Télévision is the parent company (the Group) were approved by the Executive Board on 14 February 2022 and reviewed by the Supervisory Board on 15 February 2022. They will be submitted for approval to the next Annual General Meeting on 26 April 2022.

Métropole Télévision is a public limited company governed by an Executive Board and a Supervisory Board, registered at 89, avenue Charles-de-Gaulle, Neuilly sur Seine in France. Its shares trade on compartment A of the Euronext Paris Stock Exchange (ISIN Code: FR0000053225). The Company is fully consolidated into RTL Group, which is listed on the Brussels, Luxembourg and Frankfurt stock exchanges.

2. Financial year highlights

- Over the 2021 financial year, a number of Group activities remained impacted by the health restrictions implemented to tackle the Covid-19 pandemic.
- On 16 March, the Group sold its stake in M6 Hosting.
- On 17 May, the TF1, M6, Bouygues and RTL Groups announced the signing of agreements to enter into exclusive negotiations to merge the activities of TF1 and M6 and create a major French media group.
- On 17 June, a *tax credit covering expenses related to the production of audiovisual and cinematographic works, royalties paid to collective management organisations and remuneration paid directly to authors*, introduced by Article 49 of the 2020 Supplementary Finance Act of 30 July 2020, came into force. The tax credit is available to publishers of television, radio and audiovisual media services who can demonstrate "a reduction of at least 10% in their revenue" between the periods of 1 March to 31 December 2019 and 1 March to 31 December 2020.

The audiovisual tax credit is equal to 15% of the total amount of eligible expenditure incurred between 1 March and 31 December 2020, provided that expenditure is taken into account when determining taxable profit. The amount of the tax credit recognised in the financial statements to 31 December 2021 is €17.6 million (see Note 7.1 - *Other operating revenues*).

- On 8 July, it was announced that the Bouygues Group and RTL Group had entered into an agreement with TF1 and M6 concerning the merger between TF1 and M6.
- On 22 December, the M6 Group sold its stake in Elephorm.
- On 31 December, the M6 Group completed the acquisition of 2% of Stéphane Plaza France, in which it already held a 49% stake (see Note 5.1 - *Acquisitions during the financial year*).

3. Preparation and presentation of the consolidated financial statements

3.1. ACCOUNTING FRAMEWORK

The consolidated financial statements at 31 December 2021 have been prepared in accordance with the IFRS (International Financial Reporting Standards) in force within the European Union at that date. They are presented with comparative figures for 2020 prepared under the same framework.

In relation to texts having an impact on the Group's consolidated financial statements, there were no differences between the texts approved by the European Union and the standards and interpretations published by the IASB.

Principles applied

The principles applied for the establishment of these financial statements result from the application of:

- all standards and interpretations adopted by the European Union, the application of which is mandatory for financial years starting on or after 1 January 2021;
- options retained and exemptions used.

New accounting standards, amendments and interpretations in force in the European Union, the application of which is mandatory for financial years starting on or after 1 January 2021

- The IFRIC decision on IAS 19 - *Attributing Benefit to Periods of Service*, applicable with effect from its publication in May 2021, has affected the Group's accounting principles and policies.

The Group has opted to apply the modified retrospective method at 1 January 2021 and has recognised the cumulative impacts on equity of first-time adoption of this interpretation at that date, without restating comparative information.

This change is presented in greater detail in Note 4 - *Changes in methods*.

- Furthermore, at its April 2021 meeting, the IASB approved the IFRIC decision on IAS 38 - *Configuration or Customisation Costs in a Cloud Computing Arrangement*. Analysis of these costs will be finalised in financial year 2022. The Group does not expect the decision to have a material impact on the consolidated financial statements.
- The following other IFRS amendments applicable to the 2021 financial year had no material impact on the Group's consolidated financial statements at 31 December 2021:
 - Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 - *Interest Rate Benchmark Reform - Phase 2*, applicable to periods beginning on or after 1 January 2021;
 - Amendments to IFRS 16 - *Covid-19-Related Rent Concessions beyond 30 June 2021*, applicable with effect from 1 April 2021.

Application of new standards prior to the date on which their application becomes mandatory

The Group has chosen not to apply in advance the following texts, the application of which is not mandatory until after 31 December 2021:

- Amendments to IFRS 3 - *Business Combinations: Reference to the Conceptual Framework*, applicable to periods beginning on or after 1 January 2022;
- Amendments to IAS 37- *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Costs of Fulfilling a Contract*, applicable to periods beginning on or after 1 January 2022;
- Annual improvements to IFRS (2018-2020), applicable to financial years beginning on or after 1 January 2022;
- Amendments to IAS 16- *Property, Plant and Equipment: Proceeds Before Intended Use*, applicable to periods beginning on or after 1 January 2022;

- IFRS 17 - *Insurance Contracts and Amendments to IFRS 17*, applicable to periods beginning on or after 1 January 2023.

The Group does not expect any material impact from the first application of these amendments on its financial position or performance.

Standards published by the IASB but not yet approved by the European Union

The Group may be affected by:

- Amendments to IAS 1 - *Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current*, applicable to periods beginning on or after 1 January 2023;
- Amendments to IAS 1 - *Presentation of Financial Statements* and IFRS Practice Statement 2, applicable to periods beginning on or after 1 January 2023;
- Amendments to IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*, applicable to periods beginning on or after 1 January 2023;
- Amendments to IAS 12 - *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, applicable to periods beginning on or after 1 January 2023;
- Amendment to IFRS 17 - *Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information*, applicable to periods beginning on or after 1 January 2023.

The consequences of the first-time application of these standards and amendments for the Group are currently being analysed. The latter is not expected however to have any material impact on the Group's financial position or performance.

Options available and applied by the Group in relation to the accounting framework

Some of the international accounting standards allow options relating to the valuation and accounting treatment of assets and liabilities. The options utilised by the Group are detailed in Note 3.5.

3.2. PREPARATION PRINCIPLES

The consolidated financial statements have been prepared in accordance with the historical cost principle, except for derivative instruments, equity instruments and assets measured at fair value through the income statement or items of other comprehensive income, which have been measured at fair value. Other financial assets have been measured at amortised cost.

Except for derivatives measured at fair value, financial liabilities have been valued in accordance with the amortised cost principle. The carrying amount of assets and liabilities recognised in the balance sheet and subject to a fair value hedge has been restated to reflect the movements in the fair value of the risks hedged against.

3.3. USE OF ESTIMATES AND ASSUMPTIONS

In order to prepare the consolidated financial statements in compliance with IFRS, Group Management makes estimates and formulates assumptions which affect the amounts presented as assets and liabilities on the consolidated balance sheet, the information provided on contingent assets and liabilities at the time of preparing this financial information, as well as the income and expenditure recognised in the income statement.

Management continually reviews its estimates and assumptions of the carrying amount of asset and liability items, taking into account past experience as well as various other factors that it deems reasonable.

The estimates and assumptions established during the finalisation of the consolidated financial statements are liable to be substantially called into question over future financial years, both as a result of changes in the Group's operations and performance and exogenous factors affecting the Group's development.

The main estimates and assumptions relate to:

- the valuation of the recoverable value of goodwill and intangible assets such as audiovisual rights; the estimation of the recoverable value of these assets effectively rests on the determination of cash flows resulting from their use or the known market value of the assets. It could turn out that the cash flows actually realised from these assets differ significantly from initial projections. In the same manner, the market value of assets can change and differ from previously recognised values;
- the measurement, methods of usage and recoverable value of audiovisual rights recognised in inventories;
- the valuation of retirement benefits, the measurement methods of which are detailed in Note 21 - *Retirement benefits*;
- the valuation of commercial discounts (see Note 6 - *Segment reporting*);
- the determination of the amounts recognised as provisions for liabilities and charges given the uncertainties likely to affect the occurrence and cost of the events underlying the provisions.

3.4. PRESENTATION PRINCIPLES

Presentation of the income statement

The Group presents the income statement based on the nature of expenses, as permitted by IAS 1 - *Presentation of Financial Statements*.

Operating profit is equal to consolidated net profit before taking into account:

- finance income;
- finance costs;
- income tax;
- share of profit of joint ventures and associates;
- net profit of operations sold.

Presentation of the statement of financial position

In compliance with IAS 1 - *Presentation of Financial Statements*, the Group presents current and non-current assets and liabilities separately on the balance sheet.

Considering the nature of the Group's activities, this classification is based upon the timescale in which the asset will be realised or the liability settled: "current" when this is within the operating cycle (12 months) or less than one year, and "non-current" if longer.

Pursuant to IFRS 5 - *Non-Current Assets Held for Sale and Discontinued Operations*, assets and liabilities of operations held for sale are presented separately in the balance sheet.

Presentation of the statement of cash flows

The table presents actual cash flows relating to the operations of the entities within the scope of consolidation at the year end. It has been established in compliance with IAS 7 - *Statement of Cash Flows*.

Cash flow from operating activities

Movements in inventories and receivables are calculated net of movements in provisions against current assets.

In addition, in order to highlight the effect of taxation on the movement in cash, the tax expense is removed from the self-financing capacity, and the movement in the tax liability is removed from the change in working capital requirements (WCR). The disbursement for taxation is thus isolated as a specific line item.

Cash flow from investment activities

The effects on cash of adjustments to the consolidation scope resulting from acquisitions and disposals of entities (other than discontinuing operations) are identified on the lines "Cash and cash equivalents arising from subsidiary acquisitions" and "Cash and cash equivalents arising from subsidiary disposals".

Operations held for sale / discontinued operations

The effects on the Group's cash of discontinued operations are shown on a separate line in the cash flow statement, "Cash flow linked to discontinued operations".

Presentation of contingent assets and liabilities

Commitments given in respect of purchases of rights are stated net of advances and prepayments made in this regard for the corresponding rights not yet recognised in inventories.

Transactions eliminated on consolidation

All inter-company transactions and balances between the Group's consolidated companies have been eliminated.

Financial year end

All consolidated companies have a 31 December year-end.

Translation of financial statements of consolidated foreign entities

The presentation currency of the consolidated financial statements is the Euro.

The financial statements of foreign operations are translated into Euros, the Group's financial statement reporting currency. All assets and liabilities of the entities are translated at the closing exchange rate of the financial year and income and expenses are translated at the average rate of the year just ended, corresponding to the approximate rate at the transaction date in the absence of significant fluctuations.

Translation adjustments resulting from this treatment and those resulting from the translation at the year-end rate of subsidiaries' opening equity are posted to "Other reserves" under consolidated equity in the consolidated statement of financial position and to "Change in value of translation adjustment" under other items of comprehensive income.

3.5. OPTIONS RETAINED IN RELATION TO MEASUREMENT AND RECOGNITION OF ASSETS AND LIABILITIES

Some of the international accounting standards allow options relating to the valuation and accounting treatment of assets and liabilities.

Within this framework, the Group has opted for the valuation at historical cost of property, facilities and equipment and intangible assets, without revaluation at each balance sheet date;

3.6. ACCOUNTING PRINCIPLES, RULES AND METHODS

Accounting principles, rules and methods are presented in a text box introducing each of the corresponding notes.

4. Changes in methods

IFRIC Interpretations Committee "IAS 19 – Attributing Benefit to Periods of Service"

The Group initially applied the IFRIC decision on IAS 19 - *Attributing Benefit to Periods of Service* with effect from 1 January 2021. This new interpretation answers questions about the period over which defined benefit pension obligations arise. Post-employment benefits are attributed to periods of service on a straight-line basis only over the period preceding retirement age, such that the maximum amount of the obligation is reached.

The Group has applied the provisions of IAS 19 with effect from 1 January 2021 using the modified retrospective method, without restating comparative information.

The impacts of the application of IFRIC's "IAS 19" decision on the opening balance sheet at 1 January 2021 are broken down as follows:

	01/01/2021	IFRIC impacts - IAS 19	01/01/2021 Restated
Non-current provisions	42.8	1.7	44.5
Deferred tax liabilities	15.7	(0.5)	15.2
Shareholders' equity - Group share	1,060.3	1.3	1,061.6

5. Business combinations / Changes in the scope of consolidation

Accounting principles, rules and methods:

Subsidiaries

A subsidiary is an entity controlled by the Group. The Group controls a subsidiary when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing control, potential voting rights that are currently exercisable are taken into consideration.

Companies exclusively controlled by Métropole Télévision are fully consolidated. Acquisitions or disposals of companies during an accounting period are taken into account in the consolidated financial statements from the date of taking control and until the date of effective loss of control. The full consolidation method implemented is that under which the assets, liabilities, income and expenses are entirely consolidated.

The proportion of net assets and net profit attributable to minority shareholders is presented separately as non-controlling interest in shareholders' equity in the consolidated balance sheet and in the consolidated income statement.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method on the acquisition date, which is the date control is transferred to the Group.

✓ In relation to acquisitions carried out since 1 January 2010, the Group applied revised IFRS 3 - *Business Combinations*, as well as revised IAS 27 - *Consolidated and Separate Financial Statements*:

Business combinations are now accounted for as follows:

- identifiable assets acquired and the liabilities assumed are generally recognised at their fair value at the acquisition date;
- Investments that do not result in control over the company acquired (non-controlling interests) are measured either at fair value or at the non-controlling interests' proportionate share of the acquired company's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis;
- Acquisition-related costs are recognised in profit or loss as incurred;
- Potential restatements of the price of business combinations are measured at fair value on the acquisition date. After the acquisition date, the price restatement is measured at fair value at each balance sheet date;

- After a period of one year with effect from the acquisition date, any change in the fair value of assets acquired and liabilities assumed, together with any potential price adjustments, are recognised in income. Within this first-year timeframe, fair value changes related to events occurring after the acquisition date are also recognised in profit or loss. Other changes are offset against goodwill;
 - In the case of business combinations under joint control, the Group has chosen the acquisition method in accordance with IFRS 3 Revised. This accounting method will be applied to all future business combinations under joint control in a consistent manner.
 - On the acquisition date, goodwill is measured as the excess of:
 - The fair value of the consideration transferred, increased by the value of non-controlling interests in the entity acquired and, within the framework of a staged business combination, the fair value on the acquisition date of the equity interest previously held by the acquirer in the entity acquired, thus restated through profit or loss, and
 - Over the net value of the identifiable assets acquired, and the liabilities assumed on the acquisition date at fair value.
 - Commitments to purchase non-controlling interests, granted by the Group to minority shareholders, are recognised at their fair value under other financial liabilities and offset under equity. Under equity, these are deducted from non-controlling interests at the carrying amount of the securities subject to the commitment, with the balance being deducted from the Group share of equity, pursuant to the provisions of IFRS 10 - *Consolidated Financial Statements*. Any subsequent change in the fair value of these financial liabilities is recognised in consolidated equity.
 - When additional securities are acquired in an entity over which exclusive control is already being exercised, the excess of the acquisition price of the securities over the additional proportion of consolidated equity acquired is recognised under equity - Group share, with the consolidated value of identifiable assets and liabilities of the subsidiary, including goodwill, remaining unchanged.
 - ✓ Business combinations carried out between 1 January 2004 and 1 January 2010 remain accounted for in accordance with IFRS 3 - *Business Combinations*. Within this framework, goodwill represents the difference between the acquisition price, plus related expenses, of the shares of consolidated entities and the Group share of the fair value of their net assets, less any contingent liabilities at the date of investment. The evaluation period for this fair value may be up to 12 months following the acquisition. When the acquisition price, together with related expenses, is less than the fair value of the identified assets and liabilities and contingent liabilities acquired, the difference is immediately recognised in the income statement.
 - ✓ Once allocated to each of the Cash Generating Units, goodwill is not amortised. It is subject to impairment tests from the point of indication of impairment, and as a minimum, once a year (see Note 14 - *Impairment testing of goodwill and intangible assets with an indefinite life*).
 - ✓ In connection with its transition to IFRS in 2005, the Group adopted the option provided by IFRS 1 - *First-Time Adoption of IFRS* not to restate business combinations prior to 1 January 2004 which did not comply with the recommendations of IFRS 3 - *Business Combinations*.
- Goodwill recorded prior to 1 January 2004 has been frozen at its carrying amount at this date and will no longer be amortised as from this date.

Goodwill is valued at cost (on allocation of the price of the business combination), less cumulative impairment.

5.1. ACQUISITIONS DURING THE FINANCIAL YEAR



On 31 December 2021, M6 Group finalised the acquisition of a 2% stake in Stéphane Plaza France (*Stéphane Plaza Immobilier*), in which it already held a 49% shareholding, thereby assuming control of this network of franchised estate agents. This transaction values the company at €125.0 million for 100% of the share capital. At that date, the company was included in the Group's consolidated financial statements using the full consolidation method.

This change of consolidation method is reflected in:

- a pre-tax revaluation of the previously held shareholding at €52.4 million and recognition of a capital gain (€50.8 million net of tax) under *Capital gains on disposals/equity investment revaluations* in the consolidated income statement;
- recognition of provisional goodwill of €56.1 million, broken down as follows:

	31/12/2021
Fair value of the 51% of capital "acquired"	63.8
Restated net carrying amount of assets acquired	7.6
Provisional goodwill	56.1

5.2. DISPOSALS DURING THE FINANCIAL YEAR

- On 16 March 2021, M6 Group sold 100% of M6 Hosting. The transaction generated a pre-tax net capital gain of €3.3 million (€3.2 million after tax).
- On 22 December 2021, the M6 Group sold its entire stake (34%) in Elephorm for a price equivalent to its purchase price.

5.3. OTHER CHANGES IN THE SCOPE OF CONSOLIDATION

The Group's consolidation scope changed over the 2021 financial year as follows:

- Gigasud was merged into SERC on 2 February;
- Unité 15 Belgique was wound up on 31 March;
- SND USA was wound up on 5 October;
- Optilens was wound up on 15 December;
- Joikka and Luxview were merged into M6 Interactions on 31 December.

6. Segment reporting

The internal management reporting prepared on a monthly basis and communicated to the principal operational decision-maker, i.e. the Executive Board, as well as to other operational decision makers is based on the Group's operating segments.

Revenue and EBITA, defined as operating profit before income and expenses relating to business combinations and proceeds from the disposal of subsidiaries and investments, are the most closely monitored performance indicators. Capital employed and investments made by each segment are also analysed on a regular basis in order to assess the profitability of resources allocated to each segment and make decisions about the future investment policy.

Over recent years, M6 Group has adapted its operational structure according to the markets in which it carries out its different activities.

The operating segments presented are as follows:

Television

The segment features a high degree of pooling between the various Group channels (acquisitions, technical resources, broadcasting, etc.). It includes free-to-air channels (M6, W9, 6TER and Gulli) and pay channels (Paris Première, Téva, M6 Music, Série Club, Tiji, Canal J, RFM TV, MCM and MCM Top), whose business model is based on mixed funding (advertising and payments from platforms that distribute these channels as part of packages broadcast via IPTV, cable or satellite).

This sector also includes all primarily related activities, such as the operation of the 6play technical platform and the sales house.

Radio

The segment includes the radio stations (RTL, RTL2 and Fun Radio), where the business model is entirely funded by advertising, as well as all the activities that are to a large extent related to it, such as the sales house.

Production and Audiovisual Rights

Apart from production and co-production activities (cinema, TV and Internet), this operational sector includes operations relating to the distribution of audiovisual film rights throughout their consumer-based (cinema, sale of physical and digital videos), and subsequently their professional-based (distribution of the rights portfolio to national free-to-air and pay-TV channels and international distribution) operating cycles.

Diversification

This segment includes all activities considered independent, in part or in full, from the TV channel broadcasting business. Their main features notably include the distribution of physical or intangible goods to consumers, merchandise inventory building, buying and reselling and event organisation.

Revenues primarily originate from sales to consumers and admissions. The contribution of advertising revenue from the Group's websites, although remaining marginal for this segment, is growing rapidly.

Eliminations and unallocated items relate to the cost of the share purchase and subscription plans, the cost of the performance share allocation plans, the net profit of property companies and dormant companies, as well as unallocated consolidation restatements primarily corresponding to the elimination of intra-Group gains on the disposal of non-current assets or inventories.

Income statement

Accounting principles, rules and methods:

Revenue

The Group has been applying IFRS 15 - *Revenue from Contracts with Customers* since 1 January 2018.

The fundamental principle of this standard is that revenue recognition must reflect the transfer of promised goods and services to customers in an amount that reflects the consideration to which the seller expects to be entitled.

The transfer of goods and services must reflect the transfer of control to the customer. This may happen at a given date (e.g. when goods are delivered) or over a given period (e.g. as and when a service is provided or an asset is constructed).

The five steps required for the recognition of revenue are as follows:

- *Identification of contract(s) with a customer*

Under IFRS 15, a contract is an agreement between two or more parties that creates enforceable rights and obligations.

The standard also specifies the conditions under which multiple contracts must be combined and recognised as a single contract, as well as how contract modifications should be recognised (as a separate contract or a modification to the original contract).

- *Identification of the various separate performance obligations in the contract*

A performance obligation is a promise to provide the customer with a good or service (or a bundle of goods or services) considered distinct from other goods or services promised under the contract.

The standard specifies the criteria that must be met in order for a promise to transfer goods or services to be considered distinct.

This step of identifying the performance obligations in a contract is very important insofar as it affects in particular how the transaction price is allocated to the various performance obligations, as well as when contract revenue is recognised, with different performance obligations potentially being satisfied at different times.

- *Determination of the transaction price*

The transaction price is the amount of consideration (including variable and non-cash consideration) to which the seller expects to be entitled in exchange for transferring promised goods or services to a customer.

- *Allocation of the transaction price to the various performance obligations in the contract*

The aim here is to allocate to each distinct performance obligation an amount that reflects the amount of consideration to which the seller expects to be entitled in exchange for transferring the promised goods or services to the customer.

Generally speaking, this allocation should be based on standalone selling prices for each distinct good or service.

- *Recognition of revenue when (or as) the entity satisfies a performance obligation.*

In the vast majority of cases, the seller must recognise revenue when (or as) it satisfies a performance obligation by transferring the promised good or service to the customer.

Revenue is thus recognised either at a given date or over a given period.

More specifically, the general revenue recognition principles per activity are as follows:

- advertising revenues are recorded as the advertisements and commercials which are the subject of the sale are broadcast; revenue is recognised net of commercial rebates in accordance with the general and special terms and conditions, which results in the issuance of current and year-end credit notes;
- remuneration of digital channels granted by cable and satellite broadcast operators that broadcast them are calculated on a per subscription basis or at an annual set price;
- diversification activities revenues are recognised on the provision of the service or delivery of the products; they are recognised net of provisions for returns. Where the Group acts as an agent instead of a principal in a transaction, recognised revenue corresponds to the net value of commissions received by the Group.

Concerning the sale of content, and specifically the income relating to licences granted as part of M6's merchandising business and promotional activities, the issue here is to determine whether this income consists in granting customers rights to access the intellectual property as it exists throughout the period covered by the licenses, or rather rights to use the intellectual property as it exists at the exact time when the licences are granted. In the first case, the revenues are spread over the term of the licences granted (recognition over time), whereas in the second case, the revenues are recognised in full at the date when the licences are granted (recognition at a point in time);

- sales of audiovisual rights are recognised at the opening date of the rights, essentially within the framework of television sales; other sales (cinema, video) are recognised on admission or on delivery of the material. In the latter case (licences with fees based on sales or usage), there may thus be a difference between the point at which the performance obligation is satisfied (e.g. when the right to sell cinema tickets begins) and the point at which revenue is recognised (e.g. as entry tickets are sold by the cinema operator). However, the effects of such timing differences are not material and therefore do not require a special mention in the notes to the consolidated financial statements.

The contribution of each business segment to the income statement is detailed below:

In 2020:

	Television	Radio	Production and Audiovisual Rights	Diversification	Eliminations and unallocated items	Total 31/12/2020
External revenue	927.9	146.6	62.4	135.8	0.9	1,273.6
Inter-segment revenue	16.1	1.3	65.3	0.5	(83.2)	-
Revenue*	944.1	148.0	127.7	136.2	(82.3)	1,273.6
Profit from recurring operations (EBITA) of continuing operations	225.6	21.9	13.8	13.0	(3.4)	270.7
Operating income and expenses related to business combinations	(7.4)	(0.7)	(4.5)	(0.5)		(13.2)
Income from disposal of investments	21.0			102.5		123.5
Operating profit (EBIT) from continuing operations						381.0
Net financial income/(expense)						(4.9)
Share of profit of joint ventures and associates						(11.1)
Profit before tax (EBT) from continuing operations						365.0
Income tax						(88.5)
Net profit from continuing operations						276.6
Net profit of discontinued operations						-
Net profit for the year						276.6
attributable to the Group						276.7
attributable to non-controlling interests						(0.1)

* including advertising revenue of €980.5 million

In 2021:

	Television	Radio	Production and Audiovisual Rights	Diversifications	Eliminations and unallocated items	Total 31/12/2021
External revenue	1,091.8	157.1	60.6	79.9	1.0	1,390.4
Inter-segment revenue	15.4	2.3	75.1	1.3	(94.1)	-
Revenue*	1,107.2	159.4	135.7	81.2	(93.1)	1,390.4
Profit from recurring operations (EBITA) of continuing operations	286.2	35.8	16.4	11.1	(2.9)	346.7
Operating income and expenses related to business combinations	(3.3)	(0.7)	(1.7)	(5.6)		(11.3)
Income from disposal of investments				55.2		55.2
Operating profit (EBIT) from continuing operations						390.5
Net financial income/(expense)						(1.4)
Share of profit of joint ventures and associates						(30.9)
Profit before tax (EBT) from continuing operations						358.2
Income tax						(77.4)
Net profit from continuing operations						280.8
Net profit of discontinued operations						-
Net profit for the year						280.8
attributable to the Group						280.9
attributable to non-controlling interests						(0.0)

* including advertising revenue of €1,137.4 million

The Group does not present any segmental information by geographical segment as it has no significant operations outside of mainland France.

7. Other operating income and expenses

7.1. OTHER OPERATING REVENUES

Other operating revenues totalled €45.4 million (compared with €14.7 million in 2020), and primarily comprised:

- €17.6 million in respect of the tax credit covering expenses related to the production of audiovisual and cinematographic works;
- €7.1 million in respect of operating subsidies (including €1.8 million in support for radio broadcasting), compared with €5.0 million in 2020;
- €10.0 million in amounts rebilled to equity-accounted investments (€7.4 million in 2020);

7.2. MATERIALS AND OTHER OPERATING EXPENSES

	31/12/2021	31/12/2020
Broadcasting rights consumption and programme flows (including writedown of broadcasting rights inventory)	(374.0)	(300.9)
Cost of sales	(17.8)	(37.2)
Other external services *	(307.0)	(291.3)
Operating foreign exchange losses	(0.0)	(0.6)
Other expenses	(0.7)	(1.0)
MATERIALS AND OTHER OPERATING EXPENSES	(699.6)	(631.0)

* Other external services notably consist of royalties due to copyright organisations and programme production costs.

7.3. EMPLOYEE AND WORKFORCE EXPENSES

	31/12/2021	31/12/2020
Wages and salaries	(148.0)	(147.3)
Social security charges	(60.3)	(62.1)
Profit sharing plan contributions	(20.2)	(14.7)
Other employee costs	(20.6)	(22.0)
EMPLOYEE COSTS	(249.1)	(246.1)

Other employee costs include, in particular, additions to and reversals from the provision for retirement benefits and provisions for employee-related disputes, as well as the cost of performance share allocation plans in accordance with IFRS 2 - *Share-based Payment* (see Note 8 - *Share-based Payments*).

The full-time equivalent (FTE) average workforce at fully consolidated companies was 2,240 at 31 December 2021, compared with 2,435 at 31 December 2020.

The “full time equivalent” (FTE) workforce by category can be analysed as follows:

	31/12/2021	31/12/2020
Employees	18%	20%
Managers	49%	48%
Senior executives	2%	2%
Journalists	13%	12%
Event contract workers	18%	18%
TOTAL	100%	100%

7.4. AMORTISATION, DEPRECIATION AND IMPAIRMENT CHARGES

	31/12/2021	31/12/2020
Amortisation and net provisions - audiovisual rights	(56.0)	(57.5)
Amortisation and net provisions - production costs	(7.3)	(8.1)
Amortisation and net provisions - other intangible assets	(9.7)	(12.1)
Depreciation - property, facilities and equipment	(15.1)	(14.8)
Depreciation of right-of-use assets	(5.1)	(7.1)
Other	(0.9)	(5.1)
Impairment of unamortised intangible assets *	(5.1)	(4.1)
TOTAL AMORTISATION AND DEPRECIATION (NET)	(99.0)	(108.8)

* Goodwill on the Teleshopping CGU has been written down by €5.1 million (see Note 14 - Impairment testing of goodwill and intangible assets with an indefinite life).

8. Share-based payments

Accounting principles, rules and methods:

Since 2009, M6 Group has been implementing performance share allocation plans for the benefit of its personnel. In compliance with IFRS 2 - *Share-Based Payments*, personnel remuneration items paid in equity instruments are recognised as personnel costs in the income statement and offset against equity.

The total initial cost is estimated to be the market value of the M6 share on the date of allocation less dividends expected during the vesting period. This cost is posted to the income statement and spread over the same vesting period.

Plans allocated in 2021

Pursuant to the authorisation granted by the Combined General Meeting of 25 April 2019, two allocations of performance shares were decided by the Executive Board on 20 April 2021, following approval by the Supervisory Board on 20 April 2021:

- One plan involves 174 beneficiaries and covers 407,200 shares, subject to beneficiaries remaining employed by the Group at 20 April 2023 and the achievement of consolidated EBITA objectives in 2021;
- Another plan covers a group of five beneficiaries and relates to 93,000 shares subject to a continued employment requirement of at least two years. It is allotted annually on the basis of multi-year performance conditions.

Fair value valuation of benefits granted to employees

The fair value of performance shares granted is based on the value of the share at date of grant less the current value of future dividends estimated for the period of unavailability.

Features of plans and fair value of benefits granted

The principal features of performance share plans outstanding at 31 December 2021, or which expired during the year, and for which a valuation of the fair value of the benefit granted to employees was carried out, are as follows:

	Reference price	Exercise price	Historic volatility	Risk-free rate (*)	Expected yield	Unit fair value
Plans granting performance shares						
25/07/2018 (2 plans)	16.92	N/A	N/A	-0.10%	5.66%	14.97
30/07/2019 (2 plans)	15.35	N/A	N/A	-0.30%	6.97%	13.23
20/04/2021 (2 plans)	18.38	N/A	N/A	-0.64%	N/A	14.34

(*) Risk-free rate: specified term after 2 years

The maturity used corresponds to the vesting period (2 years or 2 years and 8 months) for all plans granting performance shares. In addition, it is assumed, based on historical observations, that 5 to 10% of the shares will not be delivered due to the departure of beneficiaries during the vesting period.

During the financial year, the balance of shares granted changed as follows:

	Allocation at plan date	Maximum allocation	Balance at 31/12/2020	Change based on performance	Attribution	Delivered	Cancelled	Balance at 31/12/2021
Plans granting performance shares	1,291,967	1,291,967	612,964	149,547	500,200	(511,111)	(17,900)	733,700
25/07/2018	247,100	247,100	232,544	-	-	(232,544)	-	-
30/07/2019	298,167	298,167	292,967	-	-	(278,567)	(14,400)	-
30/07/2019	246,500	246,500	87,453	149,547	-	-	-	237,000
20/04/2021	407,200	407,200	-	-	407,200	-	(3,500)	403,700
20/04/2021	93,000	93,000	-	-	93,000	-	-	93,000

The cancellations recorded during the financial year are due to beneficiaries leaving before the exercise period of their rights began. They may also be due to non-achievement of financial performance targets set on allocating the plans.

Charges recognised in 2021

In light of the data set out above and the assessment of the charge resulting from the performance share allocation plans based on the number of shares likely to be granted, this resulted in the following impact to the line "Personnel costs" in the income statement:

Plans granting performance shares	Employee costs	
	31/12/2021	31/12/2020
27/07/2017	-	(0.5)
02/10/2017	-	(0.0)
25/07/2018 (2 plans)	(0.9)	(2.1)
30/07/2019 (2 plans)	(2.6)	(2.2)
20/04/2021 (2 plans)	(2.3)	-
TOTAL COST	(5.8)	(4.8)

9. Net financial income/(expense)

	31/12/2021	31/12/2020
Investment income	0.6	0.2
Revaluations of derivative instruments	0.2	0.2
Financial income	0.8	0.4
Interest on loans from banks and associates	(2.0)	(2.3)
Lease liability interest expense	(0.4)	(0.7)
Capitalised interest on pension	(0.4)	(0.4)
Revaluation of derivative financial instruments	(0.2)	(0.3)
Financial expense	(2.9)	(3.6)
Other financial items	0.8	(1.8)
NET FINANCIAL INCOME/(EXPENSE)	(1.4)	(4.9)

Interest on loans from banks and associates totalled €(2.0) million for the year to 31 December 2021, consisting of interest on the Euro PP bond issued in 2017 to finance the purchase of RTL Group's radio division, interest on the Schuldschein loan arranged in July 2019 to finance the purchase of the Lagardère Group's Television division and interest on banking facilities undrawn in 2021. Average debt across financial year 2021 came out at €125.0 million, giving an average debt ratio for the year of 1.2%, compared with €216.1 million and 0.9% in 2020.

Interest on lease liabilities corresponds to the unwinding of the discount on liabilities recognised under IFRS 16.

Other financial expenses mainly consist of the effects of stating financial assets and liabilities at fair value (equity instruments at fair value through profit or loss).

10. Income tax

Accounting principles, rules and methods:

Income tax includes current tax and deferred tax charges. Tax is recognised against profit and loss except where it relates to items directly recognised as other items of comprehensive income or under equity, in which case it is recognised under equity as other items of comprehensive income or under equity.

Current tax is the estimated amount of income tax payable in respect of the taxable income of a period, measured using taxation rates adopted or virtually adopted at the balance sheet date, before any adjustment of current tax payable in respect of previous periods.

Since the 2010 financial year, pursuant to the provisions of IAS 12 - *Income Taxes*, the Group has reclassified the CVAE tax as income tax.

Deferred tax is measured and recognised according to the liability method balance sheet approach for all temporary differences between the carrying amount of assets and liabilities and their tax base.

As such, a deferred tax asset is recognised when the tax base value is greater than the book value (expected future tax saving); a deferred tax liability is recognised when the tax base value is lower than the book value (expected future tax charge).

However, the following items do not give rise to the recognition of deferred tax:

- the initial recognition of an asset or liability as part of a transaction that is not a business combination and that affects neither book profit nor taxable profit;
- temporary differences, to the extent that they may not be reversed in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that the Group will generate sufficient taxable profit in the future against which corresponding temporary differences may be offset. Deferred tax assets are recognised to the extent that it is probable that the Group will generate sufficient taxable profit in the future against which corresponding temporary differences may be offset.

Recognised deferred tax assets reflect the best estimate of the schedule of taxable temporary difference reversal and realisation of future taxable profits in the tax jurisdictions concerned. These future taxable profit forecasts are consistent with business and profitability assumptions used in budgets and plans and other forecast data used to value other balance sheet items.

Deferred tax assets and liabilities are valued at the income tax rate expected to apply to the period in which the asset will be realised or the liability settled, based on tax regulations that have been adopted or virtually adopted at the balance sheet date.

In accordance with IAS 12 - *Income Taxes*, deferred tax assets and liabilities are not discounted and are offset if a legally enforceable right to offset current tax assets and liabilities exists and if it concerns income tax collected by the same tax authority, either from the same taxable entity or from different taxable entities, which intend to settle current tax assets and liabilities based on their net value or to realise the assets and pay the tax liabilities at the same time.

The components of income tax are as follows:

	31/12/2021	31/12/2020
Current income tax:		
Tax charge for the year	(74.4)	(82.6)
Deferred tax:		
Creation and reversal of temporary differences	(3.0)	(5.9)
TOTAL	(77.4)	(88.5)

The corporate income tax rate for financial year 2021 was 28.41% (corresponding to the standard corporate income tax rate of 27.5%, plus the additional 3.3% contribution) for companies included in the French tax consolidation group, compared with 32.02% (corresponding to the standard corporate income tax rate of 31.0%, plus the additional 3.3% contribution) for financial year 2020.

The deferred tax rate used in 2021 was 25.83%. A rate of 28.41% was used in 2020 for temporary differences to be settled within one year and 25.83% for temporary differences to be settled in more than one year.

Deferred tax directly taken to items of other comprehensive income was as follows:

	31/12/2021	Change	31/12/2020
Fair value revaluation of foreign exchange contracts (cash flow hedges)	(0.0)	(0.1)	0.1
Actuarial gains and losses	1.8	(0.6)	2.3
Treasury shares forward purchase	2.2	0.3	1.9
TOTAL	3.9	(0.4)	4.4

The reconciliation between the income tax charge calculated by applying the applicable rate to profit before tax and the charge calculated by applying the Group's actual tax rate is as follows:

	31/12/2021	31/12/2020
Net profit - Group share	280.9	276.7
Non-controlling interests	(0.0)	(0.1)
Net profit/(loss) from discontinued operations	-	-
Income tax	(77.4)	(88.5)
Share of profit of joint ventures and associates	(2.2)	(0.3)
Income and expenses related to business combinations	-	-
Goodwill impairment	(5.1)	(4.1)
Cost of performance shares (IFRS 2)	(5.8)	(4.8)
Profit from continuing operations before restated income tax	371.3	374.3
Theoretical standard tax rate	28.41%	32.02%
Theoretical tax charge	(105.5)	(119.8)
Reconciling items:		
C.V.A.E. tax	(4.1)	(6.4)
Capital gains on disposals / revaluation taxed at the reduced rate	13.8	38.4
Deductible merger losses	16.0	-
Audiovisual tax credit	5.0	-
Other differences	(2.6)	(0.6)
EFFECTIVE TAX CHARGE	(77.4)	(88.5)
Effective tax rate	20.8%	23.6%

The sources of deferred tax were as follows:

	31/12/2021	31/12/2020
Deferred tax assets		
Intangible assets	0.3	0.3
Other assets	2.3	5.0
Retirement provisions (non-deductible)	10.6	11.2
Other non-deductible provisions	4.8	5.7
Lease liabilities	5.8	7.9
Expenses payable non-deductible	4.0	3.2
Financial instruments	2.2	2.0
Losses carried forward	2.3	4.7
Other	4.0	4.6
Impact of offsetting deferred tax assets and liabilities on the balance	(35.4)	(44.6)
TOTAL	0.9	-
Deferred tax liabilities		
Catalogues	(4.8)	(4.8)
Licences and brands	(19.3)	(19.5)
Relationships with advertisers and distributors	(13.6)	(14.7)
Accelerated depreciation and amortisation	(5.2)	(5.0)
Writedown of treasury shares	(1.3)	(4.6)
Right-of-use assets	(5.0)	(6.9)
Other	(4.4)	(4.8)
Impact of offsetting deferred tax assets and liabilities on the balance sheet	35.4	44.6
TOTAL	(18.2)	(15.7)

The deferred tax assets and liabilities of companies included in the tax consolidation were offset.

The losses that were capitalised as deferred tax assets amounted to €9.0 million at 31 December 2021.

The cumulative losses brought forward of Group companies were €12.3 million at 31 December 2021.

11. Earnings per share

Accounting principles, rules and methods:

In accordance with the recommendations of IAS 33 - *Earnings Per Share*, basic earnings per share is determined by dividing the net profit attributable to Group shareholders by the weighted average number of ordinary shares outstanding during the period.

The dilutive effect of performance share allocation plans to be settled by the delivery of shares and in the process of being acquired is reflected in the calculation of diluted earnings per share.

Diluted earnings per share is calculated using net profit attributable to equity holders of the parent company and the weighted average number of outstanding shares, restated for the effects of all potentially dilutive ordinary shares.

The number of shares having a dilutive effect is determined on a plan by plan basis. This number is calculated by comparing the issue price of performance shares granted and the market value of the share during the period. In the case of performance shares, the issue price corresponds to the fair value of services still to be provided.

	31/12/2021	31/12/2020
Net profit attributable to shareholders	280.9	276.7
Profit / (loss) from discontinued operations attributable to shareholders	-	-
Net profit from continuing operations attributable to shareholders	280.9	276.7
Average weighted number of shares (excluding treasury shares) for basic earnings per share	126,197,391	125,805,792
Potential dilutive effect of share-based payments	445,199	424,953
Average weighted number of shares (excluding treasury shares) adjusted for dilutive effect*	126,642,590	126,230,745
Earnings per share (€)	2.226	2.200
Earnings per share from continuing operations (€)	2.226	2.200
Diluted earnings per share (€)	2.218	2.192
Diluted earnings per share from continuing operations (€)	2.218	2.192

* Only includes dilutive shares (with regard to prevailing market conditions at year-end).

The calculation of diluted earnings per ordinary share takes into account the performance shares granted by the plans of 30 July 2019 and 20 April 2021.

The number of shares with a potential dilutive impact was 445,199 at 31 December 2021, with a dilutive effect on EPS of 0.8 euro cent per share.

12. Dividends

Métropole Télévision	31/12/2021	31/12/2020
Declared and paid during the year	189.4	-
Number of outstanding shares (thousands)	126,278	-
Dividend paid per ordinary share (€)	1.50	-
Proposed for approval at AGM	126.2	189.0
Number of outstanding shares (thousands)	126,224	125,991
Dividend paid per ordinary share (€)	1.00	1.50

13. Intangible assets

Accounting principles, rules and methods:

Intangible assets principally comprise:

- audiovisual rights held for commercialisation by companies with such a mandate;
- production and co-production share of drama and feature films and other programmes;
- Advances and prepayments for non-current assets;
- computer software and e-business websites;
- licences;
- brands;
- goodwill.

Audiovisual rights

Audiovisual rights, comprising rights to films for cinema distribution, as well as television and videographic rights, purchased with or without a minimum guarantee, in view of their commercialisation (distribution, trading), produced or co-produced, are classified as an intangible asset in compliance with IAS 38 *Intangible Assets* and amendment to IAS 38 - *Clarification of Acceptable Methods of Depreciation and Amortisation*.

The amortisation method of an asset should reflect the pattern according to which the benefits generated by the asset are used. The presumption that an amortisation method which depends on the income generated by an asset is not appropriate is refuted in the case of audiovisual and co-production rights, given the very close correlation between revenue and the usage of the economic benefits of these rights.

That is why audiovisual rights:

- are amortised to match the net revenue generated as a percentage of total estimated net revenue, with the amortisation periods being consistent with industry practices and corresponding to the timeframe during which audiovisual rights are most likely to generate revenue and cash flow;
- are subject, in accordance with IAS 36 - *Impairment of Assets* (see Note 14), to an impairment test, which could lead to the recognition of impairment should the carrying amount of the right exceed its recoverable value.

Co-production of feature films, drama and other

The “Coproduction” heading covers, more specifically, producers’ and coproducers’ shares of feature films, drama and other programmes. They are capitalised as audiovisual rights and amortised as revenue is generated. In the case that revenue is insufficient in light of the carrying amount of the production, the shortfall is immediately written down.

In application of IAS 20 - *Accounting for Government Grants and Disclosure of Government Assistance*, grants received from the Centre National du Cinéma et de l’Image Animée (CNC) are accounted for as a reduction in the acquisition cost of financed co-production assets, and are consequently accounted for in the income statement according to the pattern of consumption of the expected economic benefits of the co-productions as previously defined.

Advances and prepayments for non-current assets

Advances and prepayments comprise:

- audiovisual rights not yet open held with a view to their commercialisation,
- co-production rights awaiting receipt of technical acceptance or commercialisation visa.

Amounts paid are reclassified as audiovisual rights on the date of entitlement.

Computer software and e-business websites

Computer software purchased or internally developed is reported at acquisition or production cost and amortised on a straight-line basis over its period of use, which does not exceed seven years.

Under IAS 38 - *Intangible Assets*, development costs of websites must be capitalised as intangible assets from the time the Company can demonstrate the following:

- its intention and financial and technical capacity to complete the development project;
- the likelihood that future economic benefits attributable to the development costs will flow to the company;
- and the cost of this asset can be reliably measured.

Licences

Licences are recognised at acquisition cost. With the exception of the RTL licences contributed by RTL France Radio, as well as the RTL2 and Fun Radio licences recognised as part of the allocation of the acquisition cost of RTL Group’s Radio Division, the licences have a finite useful life, and are therefore amortised.

The licences contributed by RTL France Radio, RTL2 and Fun Radio correspond to rights relating to authorisation to use the radio-electric frequencies for France that relate to the three radio stations, which are issued by the Conseil Supérieur de l'Audiovisuel. These licences have an indefinite useful life to the extent that there is no foreseeable limit to the period during which they will generate net cash inflows for the company that holds them. Accordingly, these licences are not amortised, and their carrying amount will be measured every year in accordance with IAS 36 - *Impairment of Assets*.

Brands

Only the brands that are separable and well known are recognised as assets in the case of business combinations and the resulting allocation of the acquisition price.

Acquired brands are initially recognised at their fair value, which is estimated on the basis of the methods normally used to measure brands.

When such brands have a finite useful life, i.e. they are expected to be no longer usable at the end of a determined period, they are amortised on a straight-line basis over their useful lives.

Brands are tested for impairment in accordance with IAS 36 - *Impairment of Assets*.

	Audiovisual rights (distribution and trading)	Co-production	Advances and prepayments	Total audiovisual rights	Other intangible assets	Goodwill	Total 31/12/2020
At 1 January 2020, net of amortisation and writedowns	32.1	4.4	8.7	45.3	226.6	299.8	571.6
Acquisitions	36.2	0.2	25.0	61.4	11.8	-	73.3
Disposals	(30.4)	-	-	(30.4)	(1.8)	-	(32.2)
Acquisition/disposal of subsidiaries	2.1	-	-	2.1	(41.5)	(20.1)	(53.0)
Reclassification and other movements - gross value	15.2	30.4	(20.6)	25.0	2.5	-	21.0
2020 amortisation charge	(52.6)	(10.4)	-	(63.0)	(12.1)	-	(75.1)
Writedowns	(4.9)	2.6	(0.3)	(2.6)	-	(4.1)	(6.7)
Reversal of amortisation on disposals	30.2	-	-	30.2	1.7	-	31.9
Reversal of amortisation on acquisitions/disposals of subsidiaries	(0.0)	-	-	(0.0)	25.0	6.6	31.7
Reclassification and other amortisation movements	(1.1)	(23.3)	-	(24.4)	(2.5)	-	(26.9)
At 31 December 2020, net of amortisation and writedowns	26.8	3.9	12.8	43.5	209.8	282.2	535.5
At 1 January 2020							
Gross value	1,011.8	736.2	12.8	1,760.8	352.3	332.1	2,445.2
Accumulated amortisation and writedowns	(979.7)	(731.8)	(4.0)	(1,715.5)	(125.7)	(32.4)	(1,873.6)
NET AMOUNT AT 1 JANUARY 2020	32.1	4.4	8.7	45.3	226.6	299.8	571.6
At 31 December 2020							
Gross value	1,034.9	766.8	17.2	1,818.9	323.3	312.0	2,454.2
Accumulated amortisation and writedowns	(1,008.1)	(762.9)	(4.4)	(1,775.4)	(113.5)	(29.9)	(1,918.7)
NET AMOUNT AT 31 DECEMBER 2020	26.8	3.9	12.8	43.5	209.8	282.2	535.5

	Audiovisual rights (distribution and trading)	Co-production	Advances and prepayments	Total audiovisual rights	Other intangible assets	Goodwill	Total 31/12/2021
At 1 January 2021, net of amortisation and writedowns	26.8	3.9	12.8	43.5	209.8	282.2	535.5
Acquisitions	45.1	4.0	29.5	78.6	10.9	-	89.5
Disposals	(19.0)	-	-	(19.0)	(1.8)	-	(20.8)
Acquisition/disposal of subsidiaries	-	-	-	-	(0.0)	53.9	53.8
Reclassification and other movements - gross value	16.6	19.7	(19.9)	16.4	0.0	-	16.4
2021 amortisation charge	(51.6)	(8.2)	-	(59.8)	(9.7)	-	(69.5)
Writedowns	(4.3)	1.2	(0.3)	(3.4)	-	(5.1)	(8.5)
Reversal of amortisation on disposals	18.7	-	-	18.7	1.8	-	20.5
Reversal of amortisation on acquisitions/disposals of subsidiaries	-	-	-	-	0.0	1.5	1.5
Reclassification and other amortisation movements	-	(14.5)	-	(14.5)	-	-	(14.5)
At 31 December 2021, net of amortisation and writedowns	32.1	6.1	22.3	60.5	211.0	332.5	604.0
At 1 January 2021							
Gross value	1,034.9	766.8	17.2	1,818.9	323.3	312.0	2,454.2
Accumulated amortisation and writedowns	(1,008.1)	(762.9)	(4.4)	(1,775.4)	(113.5)	(29.9)	(1,918.7)
NET AMOUNT AT 1 JANUARY 2021	26.8	3.9	12.8	43.5	209.8	282.2	535.5

	Audiovisual rights (distribution and trading)	Coproduction	Advances and prepayments	Total Audiovisual rights	Other intangible assets	Goodwill	Total 31/12/2021
At 31 December 2021							
Gross value	1,077.5	790.5	26.9	1894.9	332.4	365.9	2,593.2
Accumulated amortisation and writedowns	(1,045.4)	(784.4)	(4.6)	(1,834.4)	(121.4)	(33.4)	(1,989.2)
NET AMOUNT AT 31 December 2021	32.1	6.1	22.3	60.5	211.0	332.5	604.0

“Other intangible assets” mainly consist of licences (including the FM licences for the RTL, RTL2 and Fun Radio stations), computer software, customer relationships recognised in respect of the acquisition cost of the Radio division and the Youth TV division.

Apart from licences contributed by RTL France Radio, the licences recognised against RTL2 and Fun Radio, and the brands Fun Radio, Gulli, Canal J and Tiji, all other intangible assets are amortisable.

14. Impairment testing of goodwill and intangible assets with an indefinite life

Accounting principles, rules and methods:

According to IAS 36 - *Impairment of assets*, the carrying amount of intangible assets and property, facilities and equipment is tested at the appearance of indications of impairment.

The carrying amount of unamortised intangible assets is tested at the appearance of indications of impairment, and at least once a year.

The recoverable value is determined on an asset by asset basis, unless the asset in question does not generate cash flows that are largely independent of those generated by other assets or groups of assets. These assets connected at operational and cash flow generation levels constitute a Cash Generating Unit (“CGU”).

A CGU is the smallest group of assets, which includes the asset and which generates cash flows that are largely independent of other assets or groups of assets.

In this case, the recoverable value of the CGU is subject to an impairment test.

Impairment is recognised when, as a result of specific events or circumstances arising during the period (internal or external criteria), the recoverable value of the asset or group of assets falls below its net carrying amount.

The recoverable value is the higher of fair value, net of disposal costs, and value in use.

The value in use retained by the Group corresponds to the discounted cash flows of the CGU, including goodwill, and is determined within the framework of the economic assumptions and operating conditions, as provisionally established by the Management of Métropole Télévision, in the following manner:

- future cash flows stem from the medium-term business plan (5 years) drawn up by the Management;
- beyond this timescale, the cash flows are extrapolated by application of a perpetual growth rate appropriate to the potential development of the markets in which the entity concerned operates, as well as the competitive position held by the entity within these markets;
- the discount rate applied to the cash flows is determined using the rates which are most appropriate to the nature of the operations and the country. It takes into account the time value of money and risks specific to the CGU for which cash flows have not been adjusted.

Impairment recognised in respect of a cash generating unit (or group of units) is allocated firstly to reducing the carrying amount of any goodwill associated with the cash generating unit, and subsequently to the carrying amount of other assets of the unit (or group of units), proportionally to the carrying amount of each asset of the unit (or group of units). Where the carrying amount of goodwill and other non-current assets of the cash generating unit is insufficient, a provision may be recognised for the amount of unallocated loss.

Impairment recognised in respect of goodwill may not be reversed. As for other assets, the Group assesses at each balance sheet date if there is any indication that impairment recognised in previous financial years has decreased or no longer exists. Impairment is reversed if a change has occurred in estimates used to measure the recoverable value.

The carrying amount of an asset, increased by an impairment reversal, may not exceed the carrying amount which would have been measured, net of amortisation and depreciation charges, if no impairment had been recognised.

Movements

Goodwill evolved as follows during the 2021 financial year:

	31/12/2021	31/12/2020
Opening balance net of impairment	282.2	299.8
Acquisitions	-	0.4
Additions to scope	56.1	-
Disposals	(0.8)	(13.9)
Other movements	-	-
Impairment losses	(5.1)	(4.1)
Closing balance	332.5	282.2
Opening balance		

		31/12/2021	31/12/2020
	Gross values	312.0	332.1
	Cumulative impairment losses	(29.9)	(32.4)
	NET AMOUNT	282.2	299.8
Closing balance			
	Gross values	365.9	312.0
	Cumulative impairment losses	(33.4)	(29.9)
	Net amount	332.5	282.2

The main changes in the year reflect the following:

- disposals of M6 Hosting and the Mindbaz portal for €0.8 million;
- the 2% increase in the stake held by M6 Créations in Stéphane Plaza France, resulting in the acquisition of a controlling interest and recognition of provisional goodwill of €56.1 million against the 51% stake held by the Group (using the partial goodwill method);
- a €5.1 million goodwill write-down on the Teleshopping CGU.

Apart from the Teleshopping CGU, no impairment losses were recognised in financial year 2021 against goodwill on continuing operations (see impairment testing below).

Breakdown

Goodwill (net value) is analysed by Cash Generating Unit ("CGU") as follows:

Operating segments	CGU	31/12/2021	31/12/2020
Television			
	Television	164.5	164.5
	Other	-	-
Radio			
	Radio	99.4	99.4
Production and Audiovisual Rights			
	Audiovisual rights	5.3	5.3
Diversification			
	Digital Services	1.4	2.2
	Interaction	5.7	5.7
	Teleshopping	-	5.1
	Property	56.1	-
Total		332.5	282.2

Definition of CGUs

The Group's CGUs at 31 December 2021 are broken down as follows:

- The Television CGU encompasses all of the Group's linear television business, including both unencrypted and pay-TV channels, and thus includes the whole of the Lagardère Group's Youth TV division acquired on 2 September 2019. It also includes the distribution of non-linear channels and services as well as the development and operation of 6play;
- The Other CGU includes Ctzar and Ctzar Studio (formerly Sociaddict, which specialise in influencer marketing);
- The Radio CGU includes the whole of the French Radio division of RTL Group, acquired in 2017 (with the exception of RTL Special Marketing and Parisonair, absorbed in 2018 by M6 Interactions and M6 Événements respectively, and thus henceforth included in the Interactions CGU);
- The Audiovisual Rights CGU encompasses businesses involving the production and distribution of audiovisual rights throughout their life cycle and includes Société Nouvelle de Distribution (SND), audiovisual rights catalogue companies merged into SND on 19 June 2019 and Epithète Films, acquired on 1 July 2020;
- The Digital Services CGU includes the Group's digital pure player businesses combined within the entities M6 Digital Services and M6 Hosting;
- The Interactions CGU encompasses music publishing, events, shows and publishing, and

include the entities M6 Interactions, M6 Événements and M6 Éditions;

- The Teleshopping CGU now consists solely of businesses distributing products from teleshopping and includes Best of TV and Best of TV Benelux.
- The Property CGU includes newly consolidated company Stéphane Plaza France.

Rules in use at 31 December 2021

The following rules were in use at 31 December 2021:

- Testing of all CGUs with material goodwill (over €5 million):
 - Television CGU;
 - Radio CGU;
 - Audiovisual Rights CGU;
 - Interaction CGU;
 - Teleshopping CGU.
- Consequently, the following CGUs were not tested for impairment:
 - Digital Services CGU;
 - Other CGU;
 - Property CGU.

The recoverable amount of each CGU was determined using one of the following two methods:

- The discounted cash flow (DCF) method, method based on business plans covering the period 2022-2026, drawn up in the final quarter of 2021 using key assumptions for the following items:

EBITA, capital expenditure, working capital requirement, competitive environment, IT systems upgrade and marketing expenditure;

- The sum-of-the-parts (SOTP) method, which uses various methods (DCF, multiples, etc.) to value each of a company's business lines.

Impairment tests

Television

The value in use of the Television CGU, calculated on the basis of analysis taken from brokers' notes issued in the second quarter of 2020, is between €1,723 million and €2,041 million, with an average valuation of €1,887 million.

Radio

The value in use of the Radio CGU was determined using the DCF method, based on the following key financial assumptions:

- The discount rate used was the same as for the Group, which corresponds to the average WACC applied by French brokers, i.e. 8.8%;
- The infinite growth rate was -1%.

In this case, a company's total shareholders' equity corresponds to the sum of the valuations of each of its business lines. Valuations based on the SOTP method are taken from recent brokers' notes.

The carrying amount of the CGU recognised in Group financial statements is €643.3 million.

Since the asset's recoverable amount is greater than its net carrying amount, no impairment loss was recognised at 31 December 2021.

This gives a value in use of €261.3 million, compared with a carrying amount in the Group's financial statements of €177.6 million.

An analysis of the sensitivity of value in use to changes in test parameters was undertaken but did not yield any likely scenario in which the recoverable amount of the Radio CGU might fall below its net carrying amount. Since the asset's recoverable amount is greater than its net carrying amount, no impairment loss was recognised at 31 December 2021.

		Discount rate				
		7.8%	8.3%	8.8%	9.3%	9.8%
Growth rate	-2.00%	268.6	256.1	244.7	234.4	224.9
	-1.50%	278.5	264.9	252.6	241.5	231.3
	-1.00%	289.5	274.6	261.3	249.2	238.2
	-0.50%	301.9	285.5	270.8	257.7	245.8
	0.00%	315.8	297.6	281.5	267.1	254.2

Carrying amount of CGU recognised in Group financial statements = €177.6 million

Audiovisual rights

The value in use of the Audiovisual Rights CGU was determined using the DCF method, based on the following key financial assumptions:

- The discount rate used was the same as for the Group, which corresponds to the average WACC applied by French brokers, i.e. 8.8%;
- The infinite growth rate was 0%.

This gives a value in use of €54.5 million, compared with a carrying amount in the Group's financial statements of €3.2 million.

An analysis of the sensitivity of value in use to changes in test parameters was undertaken but did not yield any likely scenario in which the recoverable amount of the Audiovisual Rights CGU might fall below its net carrying amount. Since the asset's recoverable amount is greater than its net carrying amount, no impairment loss was recognised at 31 December 2021.

		Discount rate				
		7.8%	8.3%	8.8%	9.3%	9.8%
Growth rate	-1.00%	56.2	52.7	49.5	46.7	44.1
	-0.50%	59.2	55.4	51.9	48.8	46.0
	0.00%	62.7	58.4	54.5	51.1	48.1
	0.50%	66.6	61.8	57.5	53.7	50.4
	1.00%	71.1	65.6	60.8	56.7	53.0

Carrying amount of CGU recognised in Group financial statements = €3.2 million

Interactions

The value in use of the Interactions CGU was determined using the DCF method, based on the following key financial assumptions:

- The discount rate used was the same as for the Group, which corresponds to the average WACC applied by French brokers, increased by a risk premium, i.e. 10.8%;
- The infinite growth rate was 0%.

This gives a value in use of €21.1 million, compared with a carrying amount in the Group's financial statements of €4.0 million.

An analysis of the sensitivity of value in use to changes in test parameters was undertaken but did not yield any likely scenario in which the recoverable amount of the Interactions CGU might fall below its net carrying amount. Since the asset's recoverable amount is greater than its net carrying amount, no impairment loss was recognised at 31 December 2021.

		Discount rate				
Growth rate	-1.00%	9.8%	10.3%	10.8%	11.3%	11.8%
	-0.50%	21.7	20.8	20.0	19.2	18.5
	0.00%	22.4	21.4	20.5	19.7	18.9
	0.50%	23.1	22.1	21.1	20.2	19.4
	1.00%	24.0	22.8	21.8	20.8	20.0

Carrying amount of CGU recognised in Group financial statements = €4.0 million

Teleshopping

The value in use of the Teleshopping CGU was determined using the DCF method, based on the following key financial assumptions:

- The discount rate used was the same as for the Group, which corresponds to the average WACC applied by French brokers, increased by a risk premium, i.e. 10.8%;
- The infinite growth rate was 0%.

This gives a value in use of €11.8 million, compared with a carrying amount of €21.8 million (including total goodwill of €10.0 million).

Since the asset's recoverable amount is less than its net carrying amount, an impairment loss was recognised at 31 December 2021. Although the theoretical impairment loss amounts to €10.0 million, an amount of €5.1 million was recognised to fully impair the partial goodwill recognised in the Group's consolidated financial statements. The additional €4.9 million of impairment was not recognised since it corresponds to non-controlling interests.

		Discount rate				
Growth rate	-1.00%	9.8%	10.3%	10.8%	11.3%	11.8%
	-0.50%	12.2	11.6	11.0	10.5	10.1
	0.00%	12.7	12.0	11.4	10.9	10.4
	0.50%	13.2	12.5	11.8	11.2	10.7
	1.00%	13.7	13.0	12.3	11.6	11.1

Carrying amount of CGU recognised in Group financial statements = €11.8 million

15. Property, facilities and equipment

Accounting principles, rules and methods:

Property, facilities and equipment are recorded at their acquisition cost, reduced by accumulated depreciation and impairment provisions, according to the treatment specified by IAS 16 - *Property, Plant & Equipment*. This cost includes costs directly attributable to the transfer of the asset to its place of operation and its adaptation to operate in the manner anticipated by Management.

Right-of-use assets

The most significant change introduced by IFRS 16 - *Leases* is the removal of the distinction between an operating lease and a finance lease in the financial statements of lessees: the new standard treats all leases as finance leases.

Rights to use leased assets correspond to the present value of payments under the leases in question.

At Group level, the provisions of the new standards notably have a material impact on property leases. However, leases of 12 months or less and leases where the underlying asset has a low value are not covered by these new provisions, and are thus treated as operating leases (with a lease expense recognised in the income statement).

Depreciation

Depreciation is calculated in line with the pattern of consumption of the expected economic benefits of each individual asset, based on its acquisition cost, less its residual value.

The straight-line method is applied over the following useful lives:

Buildings	10 to 25 years
Right-of-use assets	Non-cancellable lease period plus renewal options reasonably certain to be exercised (generally 9 years)
General purpose facilities, office furniture	10 years
Computer hardware	3 to 4 years
Office and technical equipment	3 to 6 years

Residual value

The residual value of an asset is the estimated amount that the Group would obtain from disposal of the asset at the end of its useful life, after deducting the estimated costs of disposal.

The residual value of an asset may increase to an amount equal to or greater than the asset's carrying amount. If it does, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount.

Impairment losses

Property, facilities and equipment are subject to impairment tests when indications of a loss of value are identified. Should this be the case, an impairment loss is recorded in the income statement under the caption "Net depreciation, amortisation and provision charges".

	Land	Buildings	Right-of-use assets	Technical facilities	Other property, facilities and equipment	Assets under construction	Total 31/12/2020
At 1 January 2020, net of depreciation and writedowns	19.1	57.6	38.3	26.2	8.8	4.0	153.9
Acquisitions	-	0.0	3.8	5.4	3.9	0.2	13.4
Disposals	-	(4.5)	(4.9)	(4.9)	(4.1)	-	(18.3)
Acquisition/disposal of subsidiaries	-	(0.1)	(6.3)	(1.2)	(6.5)	-	(14.1)
Reclassification and other movements - gross value	-	(0.0)	(3.1)	2.7	(0.0)	(2.9)	(3.3)
2020 depreciation charge	-	(3.6)	(7.1)	(7.7)	(3.5)	-	(21.9)
Writedowns	-	-	-	-	-	-	-
Reversal of depreciation on disposals	-	4.5	2.0	4.5	3.7	-	14.7
Reversal of depreciation on acquisitions/disposals of subsidiaries	-	0.1	0.9	0.9	4.9	-	6.8
Reclassification and other depreciation movements	-	0.0	0.6	0.2	0.0	-	0.9
At 31 December 2020, net of depreciation and writedowns	19.1	54.1	24.4	26.2	7.2	1.3	132.1
At 1 January 2020							
Gross value	19.1	123.4	45.6	99.7	41.6	4.0	333.4
Accumulated depreciation and writedowns	-	(65.8)	(7.3)	(73.5)	(32.8)	-	(179.4)
NET AMOUNT AT 1 JANUARY 2020	19.1	57.6	38.3	26.2	8.8	4.0	153.9
At 31 December 2020							
Gross value	19.1	118.8	35.2	101.8	34.9	1.3	311.1
Accumulated depreciation and writedowns	-	(64.8)	(10.8)	(75.6)	(27.7)	-	(178.9)
NET AMOUNT AT 31 DECEMBER 2020	19.1	54.0	24.4	26.2	7.2	1.3	132.1

	Land	Buildings	Right-of-use assets	Technical facilities	Other property, facilities and equipment	Assets under construction	Total 31/12/2021
At 1 January 2021, net of depreciation and writedowns	19.1	54.0	24.4	26.2	7.2	1.3	132.1
Acquisitions	-	0.1	-	5.7	3.7	0.1	9.7
Disposals	-	(0.0)	(2.9)	(4.7)	(3.8)	-	(11.4)
Acquisition/disposal of subsidiaries	-	-	-	0.1	(1.3)	(0.0)	(1.3)
Reclassification and other movements - Gross value	-	(0.1)	0.1	0.2	0.3	(0.3)	0.1
2021 depreciation charge	-	(3.6)	(5.1)	(8.1)	(3.4)	-	(20.1)
Writedowns	-	-	-	-	-	-	-
Reversal of depreciation on disposals	-	0.0	2.8	4.5	3.6	-	10.9
Reversal of depreciation on acquisition/disposal of subsidiaries	-	-	-	(0.1)	1.2	-	1.1
Reclassification and other depreciation movements	-	0.0	-	(0.0)	-	-	-
At 31 December 2021, net of writedowns and depreciation	19.1	50.5	19.4	23.8	7.3	1.1	121.2
At 1 January 2021							
Gross value	19.1	118.8	35.2	101.8	34.9	1.3	311.1
Accumulated depreciation and writedowns	-	(64.8)	(10.8)	(75.6)	(27.7)	-	(178.9)
NET AMOUNT AT 1 JANUARY 2021	19.1	54.0	24.4	26.2	7.2	1.3	132.1
At 31 December 2021							
Gross value	19.1	118.8	32.4	103.2	33.7	1.1	308.2
Accumulated depreciation and writedowns	-	(68.3)	(13.0)	(79.4)	(26.4)	-	(187.0)
NET AMOUNT AT 31 DECEMBER 2021	19.1	50.5	19.4	23.8	7.3	1.1	121.2

16. Inventories

Accounting principles, rules and methods:

Inventories consist of programmes, broadcasting rights and merchandise inventories.

Programmes and broadcasting rights

In compliance with IAS 2 - *Inventories*, programmes and broadcasting rights are recorded in inventory at the date the rights are open.

Rights which are not open and not yet billed are classified as off-balance sheet commitments.

The billed portion of rights not open is recognised in advances and prepayments.

Programmes and broadcasting rights are valued at their acquisition costs, reduced at each year end by the amount consumed, as calculated according to the following methods.

Métropole Télévision programmes, which constitute the predominant part of the Group's broadcasting rights inventories, are considered to be utilised when broadcast, in accordance with the following rules:

- rights acquired for a single broadcast and various rights (documentaries, concerts, sporting events, etc.): 100% expensed on first broadcast;
- rights acquired for multi-broadcasts:
 - 1st broadcast: 66%;
 - 2nd broadcast: 34%.

Different amortisation schedules may be considered in highly specific cases of rights acquired for 4 to 5 broadcasts, the audience potential of which is deemed particularly high for each broadcast.

On the other hand, a writedown provision is established for broadcasting rights relating to programmes that are not likely to be broadcast, on the basis of a review, title by title, of the portfolio of broadcasting rights.

Other inventories

Other inventories comprise products and goods relating to the brand diversification activities of the Group. These inventories are valued at the lower of their acquisition cost and their net realisable value, which corresponds to the estimated sales price, net of estimated costs necessary to realise their sale.

A writedown provision is established whenever their net realisable value is less than their acquisition cost, measured on a case by case basis (slow

	Broadcasting rights inventory	Commercial inventory	Total 31/12/2020
At 1 January 2020, net of writedowns	280.2	11.6	291.8
Acquisitions	284.2	42.6	326.8
Disposal of subsidiaries	-	(6.0)	(6.0)
Expensed	(309.8)	(41.7)	(351.5)
(Charge)/reversal 2020	9.4	(0.4)	8.9
At 31 December 2020, net of writedowns	263.9	6.1	270.0
At 1 January 2020			
Cost or fair value	469.9	14.9	484.7
Accumulated writedowns	(189.6)	(3.3)	(192.9)
NET AMOUNT AT 1 JANUARY 2020	280.2	11.6	291.8
At 31 December 2020			
Cost or fair value	441.9	8.0	449.8
Accumulated writedowns	(178.0)	(1.9)	(179.9)
NET AMOUNT AT 31 DECEMBER 2020	263.9	6.1	270.0

	Broadcasting rights inventory	Commercial inventory	Total 31/12/2021
At 1 January 2021, net of writedowns	263.9	6.1	270.0
Acquisitions	379.5	24.8	404.3
Disposal of subsidiaries	-	-	-
Expensed	(380.0)	(20.3)	(400.3)
(Charge)/reversal 2020	9.3	(0.0)	9.3
At 31 December 2021, net of writedowns	272.8	10.5	283.3
At 1 January 2021			
Cost or fair value	441.9	8.0	449.8
Accumulated writedowns	(178.0)	(1.9)	(179.9)
NET AMOUNT AT 1 JANUARY 2021	263.9	6.1	270.0
At 31 December 2021			
Cost or fair value	441.5	12.4	453.9
Accumulated writedowns	(168.7)	(1.9)	(170.6)
NET AMOUNT AT 31 DECEMBER 2021	272.8	10.5	283.3

Throwaway programmes (TV shows and sports rights), previously recognised in other current assets, were recognised in inventories of broadcasting rights at 31 December 2021.

17. Investments in joint ventures and associates

Accounting principles, rules and methods:

Joint ventures are companies under joint control (joint control means the contractually agreed sharing of control over an operation; it only exists when decisions concerning the business in question require the unanimous consent of the parties sharing control). They are accounted for under the equity method, in compliance with IAS 28 - *Investments in Associates and Joint Ventures* and IFRS 11 - *Joint Arrangements*.

Associates are entities in which the Group has significant influence over the financial and operating policies, but does not control these policies. Significant influence is presumed when the Group holds between 20% and 50% of the voting rights of an entity. They are also accounted for under the equity method.

The existence and effect of potential voting rights exercisable or convertible at year end are taken into consideration when assessing whether the Group has control or significant influence over the entity.

Joint ventures and associates are initially recognised at acquisition cost. The Group's investment, net of accumulated impairment, includes goodwill identified on acquisition.

Under this method, the Group accounts for its share of net assets of the joint venture or associate in the balance sheet and records in the consolidated income statement, under a specific line item entitled "Share of profit/(loss) of joint ventures and associates", its share of the net income of the entity consolidated using the equity method.

Consolidated financial statements include the Group's share of total profit and loss and equity movements recognised by equity accounted companies, taking account of restatements necessary for accounting policies to comply with those of the Group, from the date on which joint control or significant influence is exercised and until joint control or significant influence ceases.

Pursuant to the provisions of IAS 28 - *Investments in Associates and Joint Ventures*, the Group determines whether it is necessary to recognise an impairment loss with respect to its investment in a joint venture or an associate. Where necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset, in accordance with IAS 36 - *Impairment of Assets*, by comparing its recoverable value (higher of value in use and fair value less cost of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable value of the investment subsequently increases.

If the Group's share of losses exceeds the value of its shareholding in the equity-accounted company, the carrying amount of equity-accounted shares (including any long-term investment) is brought down to zero and the Group ceases to recognise its share of subsequent losses, unless the Group is under the obligation of sharing in the losses or to make payments in the name of the company.

The investment in an associate or joint venture is the carrying amount of the investment determined using the equity method, together with any long-term interest that, in substance, forms part of the net investment in the associate or joint venture. For example, an item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, an extension of the investment in the associate or joint venture.

The contributions of joint ventures and associates to the Group's consolidated statement of financial position and the consolidated statement of comprehensive income were as follows:

	% held 31/12/2020	Share of net profit	Impairment losses	Change in Group structure	Dividends paid	Reclassi- fication	31/12/2021
Investments in joint ventures	16.6	(33.4)	-	-	(1.7)	28.7	10.1
Série Club	50.0%	1.9	0.7	-	-	(1.7)	0.9
Panora Services	48.0%	0.4	0.1	-	-	-	0.5
Salto SNC	33.3%	-	(28.6)	-	-	28.6	-
Salto Gestion SAS	33.3%	0.0	0.0	-	-	-	0.0
Bedrock	50.0%	14.2	(5.6)	-	-	0.0	8.6
Investments in associates	105.6	0.5	2.0	(7.0)	(2.9)	(0.5)	97.7
Quicksign	23.9%	0.4	0.3	-	-	-	0.7
Stéphane Plaza France	49.0%	6.8	5.0	(8.9)	(2.9)	-	-
Elephorm	34.0%	2.9	0.2	(3.1)	-	-	-
Wild Buzz Agency	40.0%	0.2	0.5	2.0	-	-	2.8
Global Savings Group	41.5%	95.2	(5.4)	5.0	-	(0.5)	94.3
INVESTMENTS IN JOINT VENTURES AND ASSOCIATES	122.2	(32.9)	2.0	(7.0)	(4.6)	28.1	107.8

17.1. FOLLOW-UP ON ACQUISITIONS CARRIED OUT IN 2020

Global Savings Group

On 6 May 2021, the Group participated in a capital increase for Global Savings Group (GSG) and bought back part of the founders' shares for €5.0 million. This transaction resulted in the Group's stake in GSG being slightly diluted, with M6 Digital Services owning 41.5% of GSG at 31 December 2021.

The (€5.4 million) share of net profit thus consists of the Group's share of profits generated by GSG in financial year 2021 and the dilutive effect of the change in its percentage ownership.

An (unaudited) outline of the statement of financial position for GSG at 31 December 2021 is as follows:

	2021
Non-current assets	180.0
Current assets	90.6
TOTAL ASSETS	270.6
Equity - Group share	128.1
Non-controlling interests	-
Non-current liabilities	59.2
Current liabilities	83.3
TOTAL EQUITY AND LIABILITIES	270.6

The condensed income statement (unaudited) for the 12 months is analysed as follows:

	2021
Revenue	148.4
Operating profit [EBIT]	(7.6)
Net profit for the year	(9.8)

17.3. CONTRIBUTIONS OF JOINT VENTURES

The contributions of joint ventures to Group consolidated revenue would have been as follows:

	31/12/2021	31/12/2020
Revenue	20.0	12.8
Contribution by company:		
Série Club	5.5	5.8
Panora Services	2.8	2.4
Salto SNC	5.7	0.3
Salto gestion SAS	-	0.6
Bedrock	6.0	3.7

17.2. OTHER MOVEMENTS
SALTO

The €28.6 million reclassification in the financial year corresponds to that portion of the 2021 loss that exceeded the value of the investment in Salto SNC, and which was therefore charged to the €41.4 million advance on current account (considered a component of the Group's investment in the company) granted to the latter.



On 31 December 2021, M6 Créations increased its stake in Stéphane Plaza France by 2%. The company is now included in the Group's consolidated financial statements using the full consolidation method (see Note 5 - *Business combinations/Changes in the scope of consolidation*).

At 31 December 2021, the recoverable amount of the Group's investments in joint ventures and associates exceeded their net carrying amount.

18. Financial instruments

Accounting principles, rules and methods:

Fair value

The fair value is determined by reference to a quoted price in an active market where such a market price exists. Failing that, it is calculated using a recognised valuation technique such as the fair value of a similar and recent transaction or the discounting of future cash flows, based on market data. However, the fair value of short-term financial assets and liabilities can be deemed to be similar to their balance sheet value due to the short maturity of these instruments.

Financial assets

- In accordance with the recommendations of IFRS 9 - *Financial Instruments*, the shares of non-consolidated (either via full consolidation or using the equity method) companies belong to the equity instrument category. They are initially recognised at fair value, corresponding to their original acquisition cost, and are then revalued at fair value, either through profit and loss or items of other comprehensive income, depending on their initial classification. Loans and receivables, as well as other financial assets, are measured at fair value and then revalued at their amortised cost.
- Financial assets at fair value through profit or loss comprise:
 - assets that are regarded as held for trading, which comprise assets that the company intends to sell in the short term in order to realise a capital gain, which are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking (mainly cash and cash equivalents and other cash management financial assets);
 - assets explicitly designated by the Group upon initial recognition as financial instruments, the changes in fair value of which are recognised in profit or loss. This designation is used when such use results in the provision of better quality financial information and enhances the consistency of the financial statements.
- Financial assets at amortised cost are impaired in line with expected credit risk. The amount of the impairment loss is recognised in income.
- Unrealised gains and losses on equity instruments at fair value through other comprehensive income are recognised in other comprehensive income.

18.1. FINANCIAL ASSETS

The various categories of financial assets at 31 December 2020 and 31 December 2021 are presented by balance sheet item in the table below (the analysis by category of instruments reflects the provisions of IFRS 9 - *Financial Instruments*):

31/12/2020					Valuation		
	Gross value	Writedowns	Carrying amount	Balance sheet fair value	Fair value through profit & loss	Fair value through items of other comprehensive income	Amortised cost
Equity instruments measured at fair value	4.3	-	4.3	4.3	2.6	1.7	-
Other non-current financial assets	23.7	-	23.7	23.7	0.6	-	23.1
Trade receivables	377.3	(16.9)	360.5	360.5	-	-	360.5
Other current financial assets	12.1	(0.3)	11.8	11.8	-	-	11.8
Other current assets	194.6	(0.9)	193.6	193.6	-	-	193.6
Cash and cash equivalents	197.0	-	197.0	197.0	5.7	-	191.3
ASSETS	809.0	(18.0)	791.0	791.0	8.9	1.7	780.4

31/12/2021					Valuation		
	Gross value	Writedowns	Carrying amount	Balance sheet fair value	Fair value through profit & loss	Fair value through items of other comprehensive income	Amortised cost
Equity instruments measured at fair value	6.8	-	6.8	6.8	5.1	1.7	-
Other non-current financial assets	28.2	-	28.2	28.2	-	-	28.2
Trade receivables	368.3	(16.4)	352.0	352.0	-	-	352.0
Derivative financial instruments	0.1	-	0.1	0.1	-	0.1	-
Other current financial assets	7.1	-	7.1	7.1	-	-	7.1
Other current assets	171.2	(0.9)	170.4	170.4	-	-	170.4
Cash and cash equivalents	349.0	-	349.0	349.0	128.5	-	220.5
ASSETS	930.7	(17.2)	913.4	913.4	133.6	1.8	778.1

Equity instruments comprise equity securities held by the Group in non-consolidated companies and receivables which are directly related to them.

The balance sheet position was as follows:

	Reference currency	% held	Fair value		Valuation	
			31/12/2021	31/12/2020	Fair value through profit and loss	Fair value through items of other comprehensive income
2CED	Euro (€)	15.3%	1.8	1.8	1.8	-
Médiamétrie	Euro (€)	2.7%	1.0	1.0	-	1.0
Youmiam	Euro (€)	11.2%	-	0.7	-	-
Life TV	Euro (€)	12.5%	-	-	-	-
Alliance Gravity Data Média	Euro (€)	11.1%	0.4	0.4	-	0.4
European News Exchange	Euro (€)	20.0%	0.1	0.1	-	0.1
Fun Radio Belgique	Euro (€)	25.0%	0.1	0.1	-	0.1
Media Square	Euro (€)	8.3%	0.1	0.1	-	0.1
Cosmos	Euro (€)	16.7%	0.0	0.0	-	0.0
Mesrideaux	Euro (€)	5.3%	0.1	0.1	0.1	-
Pariocas	Euro (€)	2.4%	0.1	-	0.1	-
Entourage Solutions	Euro (€)	5.0%	3.0	-	3.0	-
Other	Euro (€)	-	0.0	0.0	-	0.0
TOTAL EQUITY INSTRUMENTS			6.8	4.3	5.1	1.7

Other financial assets

The balance sheet position was as follows:

	31/12/2021	31/12/2020
Current accounts with joint ventures and associates	19.5	9.9
Convertible bonds	-	3.8
Security deposits and other advances on current accounts	2.6	3.4
Receivables on disposals of subsidiaries	6.0	6.0
Other financial assets	-	0.6
OTHER NON-CURRENT FINANCIAL ASSETS	28.2	23.7
Receivables on disposals of subsidiaries	2.8	11.8
Convertible bonds	3.9	-
Other financial assets	0.4	0.0
OTHER CURRENT FINANCIAL ASSETS	7.1	11.8

The increase in other financial assets mainly reflects the increase in advances on current account to Bedrock and Salto.

The receivable arising on the disposal of 100% of Home Shopping Service in financial year 2020 is secured by a second charge over the shares sold.

Cash and cash equivalents

Accounting principles, rules and methods:

Cash comprises cash in hand in the bank current account and demand deposits.

Cash equivalents are liquid investments, readily convertible into a known amount of cash, subject to an insignificant risk of change in value, with a maturity of less than 3 months.

Cash and cash equivalents totalled €349.0 million at 31 December 2021, compared with €197.0 million at 31 December 2020.

Bank accounts and term deposits are financial assets held for trading and as such are measured at fair value (fair value through income statement).

In application of the deposit policy described in Note 19.3, virtually all cash is invested, with an average term of less than 90 days, in interest-bearing current accounts and term deposits with investment grade counterparts.

18.2. FINANCIAL LIABILITIES

Accounting principles, rules and methods:

Financial debt is measured at amortised cost in accordance with the effective interest rate method, and primarily consists of a Euro PP bond issue, a schuldschein loan and similar debt, including revolving credit facilities arranged with banks.

Financial liabilities at fair value correspond to commitments to buy out non-controlling interests given to minority shareholders of companies controlled by the Group.

Other financial liabilities are valued at amortised cost, with the exception of derivative financial instruments which are valued at fair value.

Derivative instruments relating to cash flow hedges are valued at fair value at each balance sheet date, and the change in the fair value of the ineffective portion of the hedge is recognised in the income statement and the change in the fair value of the effective portion of the hedge in other items of comprehensive income.

The various categories of financial liabilities at 31 December 2020 and 31 December 2021 are presented in the table below by balance sheet item:

	31/12/2020		Analysis by category of instruments		
	Carrying amount	Fair value	Fair value through income statement or equity	Amortised cost	Derivative instruments
Non-current financial debt	126.2	126.2	-	126.2	-
Non-current lease liabilities	22.2	22.2	-	22.2	-
Other non-current financial liabilities	2.8	2.8	-	2.8	-
Other non-current debt	0.5	0.5	-	0.5	-
Current financial debt	0.7	0.7	-	0.7	-
Current lease liabilities	5.6	5.6	-	5.6	-
Derivative financial instruments	0.2	0.2	-	-	0.2
Other current financial liabilities	4.3	4.3	-	4.3	-
Trade payables	384.3	384.3	-	384.3	-
Other operating liabilities	12.9	12.9	-	12.9	-
Tax and social security payable	121.4	121.4	-	121.4	-
Other current financial liabilities	21.1	21.1	-	21.1	-
LIABILITIES	702.3	702.3	-	702.1	0.2

	31/12/2021		Analysis by category of instruments		
	Carrying amount	Fair value	Fair value through profit and loss or equity	Amortised cost	Derivative instruments
Non-current financial debt	126.0	126.0	-	126.0	-
Non-current lease liabilities	17.4	17.4	-	17.4	-
Other non-current financial liabilities	-	-	-	-	-
Other non-current debt	0.2	0.2	-	0.2	-
Current financial debt	1.1	1.1	-	1.1	-
Current lease liabilities	4.9	4.9	-	4.9	-
Derivative financial instruments	-	-	-	-	-
Other current financial liabilities	11.2	11.2	-	11.2	-
Trade payables	432.0	432.0	-	432.0	-
Other operating liabilities	20.3	20.3	-	20.3	-
Tax and social security payable	129.2	129.2	-	129.2	-
Other current financial liabilities	17.9	17.9	-	17.9	-
LIABILITIES	760.2	760.2	-	760.2	-

Financial debt

Financial debt positions were as follows:

	31/12/2021	31/12/2020
Bank and bond debt Other	125.8	126.1
TOTAL NON-CURRENT FINANCIAL DEBT	0.1	0.1
	126.0	126.2
Bank debt and credit facilities	1.1	0.7
TOTAL CURRENT FINANCIAL DEBT	1.1	0.7

Non-current financial debt:

It includes:

- The €50.0 million Euro PP bond issued on 28 July 2017, bearing interest at an annual rate of 1.5%, with bullet redemption at maturity after 7 years (1 August 2024);
- The €75.0 million Schuldschein loan arranged on 24 July 2019, consisting of a €65.0 million facility at a fixed interest rate of 1.0% and a €10.0 million floating rate facility at six-month Euribor plus 1.0% (giving a rate of 1.0% at 31 December 2021);
- a €0.9 million government-backed bank loan taken out by Ctzar.

Current financial debt:

The Group has three renewable bank credit facilities totalling €180.0 million to safeguard against liquidity risk as set out in Note 19.2.

As at 31 December 2021, these facilities had not been drawn down (nor were they at 31 December 2020) and were not used during the year.

In addition, the Group also benefits from a credit facility from its principal shareholder (Bayard d'Antin), under which a maximum of €50.0 million may be drawn down. At 31 December 2021, this credit facility was not drawn down.

Other financial liabilities:

Other current financial liabilities of €11.2 million include:

- the liability relating to two forward purchase agreements for 200,000 and 350,000 treasury shares, expiring on 31 March 2022 and 31 December 2022 respectively;
- the liability relating to the acquisition of an additional 2% of Stéphane Plaza France.

18.3. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES UNDER THE FAIR VALUE HIERARCHY

The disclosures required by IFRS 7 are classified in accordance with a fair value hierarchy which reflects the materiality of data used in valuations. This fair value hierarchy is as follows:

- Level 1: prices (unadjusted) quoted in active markets for identical assets or liabilities;
- Level 2: inputs, other than the quoted prices included under Level 1, that are observable for assets and liabilities, either directly (prices for example), or indirectly (for example, elements derived from prices);
- Level 3: inputs on assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3
31/12/2020	Listed prices	Observable inputs	Unobservable inputs
Equity instruments	-	-	4.3
Other non-current financial assets	-	0.6	-
Cash and cash equivalents:			
Term deposits	-	5.7	-
ASSETS	-	6.3	4.3

	Level 1	Level 2	Level 3
31/12/2021	Listed prices	Observable inputs	Unobservable inputs
Equity instruments	-	-	6.8
Derivative financial instruments	-	-	0.1
Cash and cash equivalents:			
Term deposits	-	128.5	-
ASSETS	-	128.5	6.8

18.4. EFFECT OF FINANCIAL INSTRUMENTS ON THE INCOME STATEMENT

The effects of financial instruments on the income statement were as follows:

	31/12/2020	Analysis by category of instruments			
	Effect on income statement	Fair value through profit & loss	Loans and receivables	Debt at amortised cost	Derivative instruments
IMPACT ON NET FINANCIAL INCOME/EXPENSE	(4.5)				
Total interest income	0.2	-	0.2	-	-
Total interest expense	(3.5)	-	-	(3.5)	-
Revaluations	(1.3)	(1.3)	-	-	(0.0)
Net gains/(losses)	0.0	0.0	-	-	-
Income/(loss) on disposals	-	-	-	-	-
IMPACT ON EBIT	(4.9)				
Net gains/(losses)	(0.2)	-	(0.2)	-	-
Impairment	(4.7)	-	(4.7)	-	-
NET INCOME/(LOSS)	(9.4)	(1.2)	(4.6)	(3.5)	(0.0)

	31/12/2021	Analysis by category of instrument			
	Effect on income statement	Fair value through profit & loss	Loans and receivables	Debt at amortised cost	Derivative instruments
IMPACT ON NET FINANCIAL INCOME/EXPENSE	(1.1)				
Total interest income	1.9	-	1.9	-	-
Total interest expense	(2.4)	-	-	(2.4)	-
Revaluations	(0.7)	(0.7)	-	-	(0.0)
Net gains/(losses)	0.1	0.1	-	-	-
Income/(loss) on disposals	(0.0)	-	(0.0)	-	-
IMPACT ON EBIT	(1.0)				
Net gains/(losses)	(0.1)	-	(0.1)	-	-
Impairment	(0.9)	-	(0.9)	-	-
NET INCOME/(LOSS)	(2.0)	(0.6)	0.9	(2.4)	(0.0)

19. Risks associated with financial instruments

This note presents information on the Group's exposure to each of the following types of risk, as well as its objectives, policy and risk assessment and management procedures.

The net carrying amount of financial assets represents the maximum exposure to the credit risk.

19.1. CREDIT RISK

The credit risk represents the risk of financial loss for the Group in the event a customer was to fail to meet its contractual commitments.

Trade receivables

Operating receivables

If the maturity date is less than one year and the effects of discounting are not significant, receivables are measured at cost (nominal amount of the receivable). Conversely, receivables are measured at amortised cost, using the effective rate of interest, when their maturity date exceeds one year and the effects of discounting are significant.

Furthermore, operating receivables are impaired to reflect the best estimate of expected credit losses over their lives. Impairment losses are no longer recognised at the date of occurrence of events casting doubt on the recoverability of the corresponding assets; rather, they are recognised upon initial recognition of the assets. Initial and subsequent measurements of expected credit losses are based, individually or collectively, on probabilistic weightings that take into account, in particular, the age of receivables, past events and the current and future economic environment. Adjustments to the value of operating receivables in respect of expected credit losses over their lives are reviewed at each balance sheet date. Any resulting changes are recognised in net profit for the period.

Risk assessment differs across Group operations.

The Group applies a prudent policy aimed at preventing and monitoring impairment risk on trade receivables.

It is pointed out in this note that, as regards revenue, no single customer risk is material enough to significantly impair the Group's profitability

The Group's leading, top 5 and top 10 customers represent less than 5%, 15% and 20 % of consolidated revenue, respectively.

Advertising revenue

The main step taken by the M6 Publicité advertising agency to secure its advertising revenues is to conduct credit inquiries. These are systematically carried out with the support of specialised external companies on new customers and on an on-going basis on recurring customers.

The latter represent the large majority of advertisers. The advertiser base thus appears relatively stable, with more than 90% of revenue being generated from the same customers from one year to the next. Furthermore, it comprises a majority of quoted French companies and French subsidiaries of major international corporations.

Based on the results of credit enquiries and the amounts incurred in relation to the campaign, different payment terms are granted to customers. In particular, M6 demands that advertisers who do not meet its solvency criteria pay their campaigns in advance. These provisions are included in the terms and conditions of sale of the M6 Publicité advertising agency.

Banking counterparts

The Group neither securitises, nor assigns nor factors trade receivables.

The Group pays particular attention to the quality of its banking counterparties. It strives to diversify its mutual fund depositories, in which excess cash is invested in accordance

Due to this prudent policy, the risk of non-payment of advertising campaigns remained less than 0.5% of revenue (equal to the year to 31 December 2020).

In order to further curtail this risk, the Group's sales house imposes late payment penalties on unpaid invoices and have internal teams dedicated to recovering trade receivables.

Non-advertising revenues

As regards non-advertising revenue, no single customer risk is material enough to significantly impair the Group's profitability.

Nonetheless, the team dedicated to collecting trade receivables guarantee throughout the year that everything is done to reduce bad debts. In addition to follow-up by this dedicated team, the Group may call upon the services of specialised debt collectors.

with the cash management policy described in Note 19.3.

The Group works with leading European banks that benefit from an investment grade rating.

Maturity of financial assets

The maturity dates of financial assets were as follows at the balance sheet date:

	Year end		Neither written down nor due		<= 1 months		1 - 3 months	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Other financial assets	35.3	35.8	35.3	35.6	-	-	-	-
Gross trade receivables	368.3	377.3	221.1	199.5	95.6	102.6	24.0	38.9
Derivative financial instruments	0.1	-	0.1	-	-	-	-	-
Other receivables - gross	171.2	194.6	171.2	193.7	-	0.0	-	-
TOTAL	574.9	607.7	427.6	428.8	95.6	102.6	24.0	38.9

	3 - 6 months		6 - 12 months		> 1 year		Other*	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Other financial assets	-	-	-	-	-	-	-	0.3
Gross trade receivables	7.3	13.5	4.6	6.7	5.4	7.5	10.3	8.6
Derivative financial instruments	-	-	-	-	-	-	-	-
Other receivables - gross	-	-	-	-	-	0.9	-	-
TOTAL	7.3	13.5	4.6	6.7	5.4	8.3	10.3	8.8

* These include trade receivables (inclusive of VAT) for which writedowns are established on an individual basis. Writedowns of receivables (inclusive of VAT) calculated based on a statistical model are broken down by age.

Trade and other receivables comprise commercial receivables and other receivables linked to operations, such as advances and deposits.

19.2. LIQUIDITY RISK

The liquidity risk is the risk that the Group may find it difficult to meet its liabilities when they fall due. In order to manage the liquidity risk, the Group has implemented a policy of forecast cash position and financing needs monitoring, so that it always has sufficient cash to meet its current liabilities. Cash management is centralised in a cash pooling, in order to optimise financial resources.

The carrying amount of financial liabilities posted to the balance sheet represents the maximum exposure to the credit risk at year-end.

At 31 December 2021, the Group had net cash of €248.4 million.

At that date, the Group had four borrowing facilities:

- a facility available with its main shareholder (Bayard d'Antin) for a maximum of €50.0 million, undrawn at 31 December 2021 (also undrawn at 31 December 2020);
- Confirmed bank borrowing facilities totalling €180 million over five years, unused at 31 December 2021.

The Group's liquidity is also ensured by two long-term financing facilities:

- a €50.0 million Euro PP bond issue arranged on 28 July 2017 and maturing in 2024;
- a €75.0 million Schuldschein loan arranged on 24 July 2019 and maturing in 2026.

Group debt may be analysed as follows by maturity date (excluding current tax liabilities):

	< 1 year		1 -5 years		> 5 years		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Financial debt	1.1	0.7	126.0	51.1	-	75.1	127.1	126.9
Lease liabilities	4.9	5.6	17.4	22.2	-	-	22.4	27.8
Derivative financial instruments	-	0.2	-	-	-	-	-	0.2
Other financial liabilities	11.2	4.3	-	2.8	-	-	11.2	7.1
Trade payables	432.0	384.3	-	-	-	-	432.0	384.3
Other liabilities	20.3	12.9	-	-	-	-	20.3	12.9
Tax and social security payable	129.2	121.4	0.2	0.5	-	-	129.4	121.9
Liabilities relating to non-current assets	17.9	21.1	-	-	-	-	17.9	21.1
TOTAL	616.6	550.6	143.6	76.6	-	75.1	760.2	702.3

19.3. MARKET RISK

Market risk is the risk that movements in market prices, such as foreign exchange rates, interest rates and equity instrument prices may adversely affect the Group's financial performance or the value of its financial instruments. The objective of market risk management is to define a strategy that limits the Group's exposure to the market risk, while at the same time ensuring that this strategy does not come at a significant cost.

Foreign exchange risk

Accounting principles, rules and methods:

Foreign currency transactions are initially recorded in the functional currency (Euro) using the exchange rate prevailing at the date of the transaction, in application of IAS 21 - *Effects of Changes in Foreign Exchange Rates*.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the balance sheet date. All differences are recorded in the income statement. Non-monetary items in foreign currencies which are valued at historical cost are translated at the exchange rate at the initial date of the transaction.

Exchange differences resulting from the conversion of assets and liabilities denominated in foreign currency arising from commercial transactions are accounted for in operating profit. For financial transactions, these same differences are accounted for in finance income and expense.

The treatment of foreign exchange hedges is detailed hereafter.

The Group is primarily exposed to exchange risks at operational level.

The Group is exposed to foreign exchange risk through a number of audiovisual rights purchase contracts, particularly through its cinema distribution activity.

These purchases are primarily denominated in US dollars.

In order to protect itself from random currency market movements that could adversely impact its financial income and the value of its assets, the Group decided to hedge all its purchases as soon as contracts as signed.

The coverage is then weighted as a function of the underlying due date. Commitments to purchase rights are fully hedged.

Purchases of goods are hedged on a statistical basis and adjusted regularly based on orders placed.

The Group only uses simple financial products that guarantee the amount covered and a set rate of coverage. These are forward purchases, for the most part.

Foreign currency purchase flows represented approximately 0.6% of 2021 total purchases, compared with 3.9% over 2020.

Foreign currency-denominated sales are not hedged as they are not significant (0.2% of revenue).

The acquisition of LTI Vostok (Youth TV division) exposed the Group to foreign exchange risk on the Russian rouble. This risk was however not specifically hedged to the extent that it arose mainly from unhedged balance sheet balances.

Analysis of exposure to operational foreign exchange risk at 31 December 2021

	USD (€ millions) ⁽¹⁾		RUB (€ millions) ⁽¹⁾	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Assets	3.0	5.9	3.8	3.5
Liabilities	(0.1)	(1.1)	(1.1)	(1.5)
Off-balance sheet	(9.7)	(6.8)	-	-
Gross foreign exchange exposure	(6.7)	(2.0)	2.7	2.0
Hedges	9.3	3.7	-	-
Net foreign exchange exposure	2.6	1.7	2.7	2.0
⁽¹⁾ at closing rate:	1.1370	1.2161	85.4743	89.2433

In order to hedge against market risks, the Group put into place 8 new foreign exchange hedges during the year in relation to its USD-denominated liabilities, for a total value of €12.6 million.

At 31 December 2021, the Group's gross exposure in US dollars was a negative €6.7 million, including a negative €9.7 million relating to off-balance sheet commitments.

At the same date, hedging totalled €9.3 million (*cash-flow hedges*). The €2.6 million excess hedge (long position) thus mainly reflects US dollar bank balances that do not need to be hedged.

The risk of loss on the overall net exposed position would yield a €0.3 million loss in the event of an unfavourable and consistent 10% movement of the Euro against the US dollar.

Derivative financial instruments

Accounting principles, rules and methods:

M6 Group is principally exposed to foreign exchange rate risk when purchasing broadcasting rights in a foreign currency. In order to protect itself from foreign currency exchange risk, the Group uses simple derivative instruments guaranteeing it a hedged amount and a maximum exchange rate for this hedged amount.

The Group's use of derivative instruments is with the sole aim of hedging commitments arising from its activity, and never for a speculative purpose.

Determination of fair value

In accordance with IFRS 7 - *Financial Instruments: Disclosures*, and IFRS 9 - *Financial Instruments*, derivative financial instruments are measured at fair value, based on a valuation carried out by a third party derived from observable market data. The fair value of foreign currency purchase contracts is therefore calculated with reference to a standard forward exchange rate for contracts with similar maturity profiles. The fair value of interest rate swaps is determined with reference to the market values of similar instruments.

Financial instruments qualifying as hedges

The Group has decided to apply hedge accounting to the majority of its derivative instruments in order to reduce the impact on profit of hedges implemented.

At 1 January 2018, when IFRS 9 - *Financial Instruments* entered into force, the Group opted to continue to apply the provisions of IAS 39 - *Financial Instruments: Recognition and Measurement* on hedge accounting.

The main hedge instruments authorised within the framework of the Group hedging policy are as follows: pure time, first generation options and swaps (currency or interest rate).

The hedging policies adopted by the Group are mainly of two types:

- Hedging the exposure to movements in the fair value of an asset or liability

All gains or losses from the revaluation of the hedging instrument to fair value are immediately recognised in the income statement.

All gains and losses on the hedged item attributable to the hedged risk adjust the carrying amount of the hedged item and are recognised in the income statement.

This results in symmetric recognition of movements in fair value of the hedged item and the hedging instrument for the effective part of the hedge in EBITA. The ineffective part of the hedge is recorded in finance income/expense.

- Hedging future cash flows

This involves hedging the exposure to movements in cash flow that is attributable either to a forecast transaction or to a firm commitment.

Movements in the fair value of the financial instrument, as regards the effective portion, are recognised under other items of comprehensive income until the balance sheet recognition of the asset or liability. When the hedged item is recorded and leads to the recognition of an asset or a liability, the amount recorded in equity is transferred and included in the initial value of the cost of acquisition of the asset or liability. As regards the ineffective portion, movements in value are recognised in finance income/expense.

For all other cash flow hedges, the amounts taken directly to other items of comprehensive income are transferred to the income statement for the year in which the forecast transaction or firm commitment affects the income statement.

Financial instruments not qualifying as hedges

Certain financial instruments are not treated as hedges according to the definition of IFRS 9 - *Financial Instruments*, despite effectively being hedge instruments used to manage economic risks. Gains and losses resulting from the revaluation of financial instruments which may not be accounted for as hedges are recognised in the income statement of the period.

Derivatives are classified as other current financial assets when their market value is positive and classified as current financial liabilities when their market value is negative.

IFRS 13 - *Fair value measurement*, which was applied for the first time to assets and liabilities in 2013, had no significant impact on the fair value of derivative financial instruments at 31 December 2021, unchanged from 31 December 2020.

Fair value

Net balance sheet positions of derivatives were as follows:

	31/12/2021	31/12/2020
	Fair value	Fair value
Forward call contracts		
Métropole Télévision	-	-
SND	0.1	(0.2)
HSS	-	-
TOTAL	0.1	(0.2)

The €0.1 million fair value of derivative financial instruments at 31 December 2021 reflected the small difference between year-end rate used for the valuation (USD 1.1370) and the average rate of hedges in inventory (USD 1.1501) at the end of December 2021 (a 1.2% increase).

Maturities

The maturity of hedge instruments (nominal value of the hedge expressed in euro at the year-end forward hedge rate) was as follows:

	31/12/2021			31/12/2020		
	Total	< 1 year	1 - 5 years	Total	< 1 year	1 - 5 years
Métropole Télévision	-	-	-	-	-	-
SND	9.2	9.2	-	3.9	3.9	-
HSS	-	-	-	-	-	-
TOTAL	9.2	9.2	-	3.9	3.9	-

Interest rate risk

Interest rate risk management relating to the Group's net cash position is based on the consolidated position and market conditions.

The main objective of the interest risk management policy is to optimise the cost of Group financing and maximise cash management income.

Short-term rates have been negative since 2014; the Group's investments and financing facilities are based on €STR (the euro short-term rate, which has replaced Eonia) or Euribor floored at zero, minimising the risk arising from fluctuating indices.

The Group is little exposed to exchange risks.

The main features of financial assets and financial liabilities are as follows:

Maturity schedule of financial debt and financial assets at 31 December 2021

(€ millions)	< 1 year	1 - 5 years	> 5 years	Total
Variable rate financial assets	168.3	21.2	-	189.4
Other fixed-rate financial assets	185.0	1.0	-	186.0
TOTAL FINANCIAL ASSETS	353.3	22.2	-	375.5
Variable rate financial debt	0.2	10.2	-	10.4
Other fixed-rate financial liabilities	0.9	115.8	-	116.7

(€ millions)	< 1 year	1 - 5 years	> 5 years	Total
Fixed-rate lease liabilities	4.9	17.4	-	22.4
TOTAL FINANCIAL LIABILITIES	6.0	143.4	-	149.4

The Group had net cash of €226.0 million at 31 December 2021. Excluding lease liabilities, the net asset comes to €248.4 million. Assets consist of amounts held in interest-bearing accounts and time deposits; liabilities consist of borrowings and shareholder credit facilities.

The financing provided by the Group to its jointly controlled subsidiaries is treated as a financial asset.

Share risk

To the extent that the Group does not own any listed financial assets, share risk exposure only relates to treasury shares.

Treasury shares are recorded at their acquisition cost as a reduction of equity. Therefore, M6 Group share price movements have no impact on the Group's consolidated financial statements.

Cash management policy

The Group's cash management policy is designed to ensure that cash resources can be mobilised rapidly while limiting capital risk. The Group's approach is absolutely prudent and non-speculative.

All investments made by the Group meet the criteria of IAS 7 - *Statement of Cash Flows*.

The corresponding deposits are thus considered as cash equivalents, since they are liquid, can easily be converted into a known amount of cash and are subject to a negligible risk of change in value.

The matter of counterparty risk remains topical and the Group pays particular attention to the selection process of instruments and to diversifying counterparts and depositaries.

Investment yields are regularly measured and reported to management every month. A detailed analysis of the various risks of these deposits is also made quarterly.

20. Shareholders' equity

Accounting principles, rules and methods:

Treasury shares are recorded as a reduction to shareholders' equity at their purchase cost.

When future contracts are entered into to purchase treasury shares at a given price and on a given date, the commitment is reflected by the recognition of a financial liability representative of the discounted buyback value and offset against equity. Subsequent variations in the value of this financial liability are recognised under finance income and expense.

On the disposal of treasury shares, gains and losses are recorded in consolidated reserves, net of tax.

20.1. SHARE CAPITAL MANAGEMENT POLICY

Management of the Group's shareholders' equity primarily refers to the dividend distribution policy and more generally to the remuneration of Métropole Télévision shareholders.

Despite the loans taken out at the time of the acquisitions of the RTL Group's Radio Division, and the Youth TV Division the Group maintains a substantial borrowing capacity, in terms of borrowings from banks as well as from its majority shareholder, providing it with significant potential for investments.

As regards shareholder returns, the Group is committed, in accordance with Article 40 of its Articles of Association, to maintaining a long-term payout ratio of at least 80%. However, to ensure liquidity in a very challenging economic environment, the Group did not pay any dividend in 2020. During the 2021 financial year, the Group paid an ordinary dividend of €1.50 per share.

Furthermore, the Executive Board of Métropole Télévision was granted an authorisation to buy back its own shares by the Combined General Meeting of 20 April 2021, with the following objectives:

- to stimulate the Métropole Télévision share secondary market or the share liquidity through an investment service provider, within the framework of a liquidity contract complying with the AMAFI Ethics Charter approved by the AMF;
- to retain the shares purchased and ultimately use them via exchange or payment within the framework of potential acquisitions, provided that the shares acquired for this purpose do not exceed 5 % of the Company's share capital;
- to provide adequate coverage for performance share allocation plans and other forms of share allocations to Group employees and/or corporate officers within the conditions and according to the methods permitted by law, notably in order to share the profits of the Company, through a company savings plan or by the granting of performance shares;
- to allocate shares upon the exercise of rights attached to marketable securities in accordance with applicable regulations;
- to potentially cancel the purchased shares.

During the financial year ended 31 December 2021 and pursuant to this authorisation:

- Daily market transactions were carried out by Métropole Télévision as part of the liquidity contract;
- Métropole Télévision bought and delivered shares to cover its performance share allocation plans.

In addition, ahead of the next deliveries of performance shares in 2022 and 2023, Métropole Télévision has entered into three forward purchase contracts for 200,000 and 350,000 treasury shares respectively, which will mature on 31 March 2022 and 31 December 2022.

Furthermore, the Company comes within the scope of Article 39 of the Law no 86-1067 of 30 September 1986 as amended, as well as Law no 2001-624 of 17 July 2001, which state that an individual or entity, acting alone or in concert, shall not hold, directly or indirectly, more than 49% of the capital or voting rights of a company licensed to operate a nationwide television service by terrestrial transmission. Therefore, any decision liable to have a dilutive or enhancing effect on existing shareholders must be assessed in the light of this specific legal requirement.

20.2. SHARES COMPRISING MÉTROPOLE TÉLÉVISION'S CAPITAL

(thousands of shares)	Ordinary shares issued	Treasury shares held	Shares outstanding
NUMBER OF SHARES AT 1 JANUARY 2020	126,414	696	125,718
Movement in treasury shares:			
- held for the purpose of allocating performance shares	-	(296)	-
- held as part of the liquidity contract	-	23	-
NUMBER OF SHARES AT 31 December 2020	126,414	422	125,991
Movement in treasury shares:			
- held for the purpose of allocating performance shares	-	(211)	-
- held as part of the liquidity contract	-	(21)	-
NUMBER OF SHARES AT 31 December 2021	126,414	191	126,223

The shares making up the capital of Métropole Télévision are all ordinary shares with one vote each. All shares are fully paid up.

Three performance share allocation plans for the benefit of certain members of management and senior executives of the Group were in place at 31 December 2021 (see Note 8 - *Share-based payments*).

However, delivery of these performance shares will have no impact on Métropole Télévision's capital, since it will be covered by forward contracts to purchase 550,000 of the company's own shares (see Note 18.2 - *Financial liabilities*) and by treasury shares held under the liquidity agreement.

20.3. MOVEMENTS IN EQUITY NOT RECORDED IN THE INCOME STATEMENT

Movements in the fair value of derivative financial instruments, actuarial gains and losses and foreign exchange differences are recorded in other items of comprehensive income and added to the "other reserves" caption of equity.

Movements in actuarial gains and losses are accounted for as other items of comprehensive income and are added to the "consolidated reserves" caption.

The net impact on equity, under other reserves and consolidated reserves, was as follows:

BALANCE AT 1 JANUARY 2020	(15.8)
New hedges	(0.4)
Previous hedge variations	(0.4)
Maturity of hedges	2.9
Equity instruments measured at fair value	(0.2)
Change in value of assets sold	(0.5)
Change in value of translation adjustment	(1.0)
Movement in pension commitments	1.5
TOTAL MOVEMENTS OF THE PERIOD	2.0
BALANCE AT 31 December 2020	(13.7)
New hedges	(4.2)
Previous hedge variations	0.2
Maturity of hedges	3.2
Equity instruments measured at fair value	0.0
Change in value of translation adjustment	1.2
Movement in pension commitments	1.0
TOTAL MOVEMENTS OF THE PERIOD	1.3
BALANCE AT 31 December 2021	(12.4)

21. Retirement benefits severance pay

Accounting principles, rules and methods:

Retirement benefits

The Group has retirement benefit commitments under defined benefit plans.

A defined benefit plan is a post-employment benefit plan under which payments made to a distinct entity do not discharge the employer from its obligation to pay additional contributions.

The Group's net obligation in respect of defined benefit plans is measured using the value of future benefits acquired by personnel in exchange of services rendered during the current and previous periods. This amount is discounted to measure its present value. The discount rate is equal to the interest rate, at the balance sheet date, of top-rated bonds with a maturity date close to that of the Group's commitments and denominated in the same currency as that used to pay out benefits.

Calculations are carried out every year by a qualified actuary using the projected unit credit method. Post-employment benefits are attributed to periods of service on a straight-line basis only over the period preceding retirement age, such that the maximum amount of the obligation is reached.

The Group immediately recognises against other items of comprehensive income all actuarial differences arising in respect of defined benefit plans.

Severance pay

Severance pay is recognised as an expense when the Group is obviously committed, with no real possibility to retract and as part of individually negotiated terms, to a formal and detailed redundancy plan before the normal retirement age.

Short-term benefits

Obligations arising from short-term benefits are measured on a non-discounted basis and recognised as corresponding services are rendered.

A liability is recognised for the amount the Group expects to pay in respect of employee profit-sharing plans and for bonuses paid in short-term cash when the Group has an actual obligation, legal or constructive, to make these payments as consideration for past services rendered by personnel and this obligation may be reliably assessed.

Commitments undertaken in respect of retirement benefits severance pay are not covered by any dedicated insurance contract or assets.

Main actuarial assumptions

	31/12/2021	31/12/2020
Discount rate	1.10	0.90
Future salary increases *	2.89	2.67
Inflation rate	2.00	2.00

* median measured on the basis of age and position

The discount rate is determined at the year-end date based on market rates for high-quality corporate bonds that are rated AA, and depending on the term and characteristics of the scheme.

Income statement expenses

	31/12/2021	31/12/2020
Current service cost	(2.5)	(2.7)
Interest expense	(0.4)	(0.3)
Decreases	0.5	0.3
Plan changes	-	0.3
Expected return on plan assets	-	-
NET EXPENSE	(2.3)	(2.4)

Provision and present value of obligation

	31/12/2021	31/12/2020
Value of obligation - opening balance	42.8	45.0
Changes in methods *	(1.7)	-
Current service cost	2.5	2.7
Interest expense	0.4	0.3
Decreases	(0.5)	(0.3)
Benefits paid	(0.7)	(1.3)
Plan change	-	(0.3)
Actuarial gain or loss - Changes in financial assumptions	(1.1)	(1.0)
Actuarial gain or loss - Experience effect	(0.4)	(1.1)
Change in Group structure	(0.0)	(1.2)
VALUE OF OBLIGATION - CLOSING BALANCE	41.1	42.8

* See Note 4 - Changes in methods

The cumulative actuarial losses recognised in other items of comprehensive income were €6.8 million at 31 December 2021.

Sensitivity to assumptions

Sensitivity analyses carried out on pension commitments gave the following results:

	+ 0.5%	- 0.5%
Sensitivity of obligation at year end:		
to a change in the discount rate	38.7	43.8
to a change in the rate of salary increase	43.6	38.9

22. Provisions
Accounting principles, rules and methods:

In compliance with IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*, the Group recognises a provision when, at the balance sheet date, it has an obligation (legal or constructive) towards a third party resulting from a past event, for which it is probable that an outflow of resources embodying economic benefits will be required, and when a reliable estimate can be made of the amount of the obligation.

The amount recognised under provisions is the best estimate of the cash outflow necessary to settle the present obligation at the balance sheet date.

In the event this liability is not probable and cannot be reliably measured, but remains possible, the Group recognises a contingent liability in its commitments.

Provisions are predominantly intended to cover probable costs of trials or litigation in process, of which the trigger event existed at the balance sheet date.

Provision movements between 1 January 2020 and 31 December 2021 were as follows:

	Provision for retirement benefits	Provisions for restructuring	Provisions for litigations	Provisions for off-balance sheet rights	Other provisions for charges	Total
At 1 January 2020	45.0	0.5	17.8	16.9	8.9	89.1
Acquisition of subsidiaries	-	-	-	-	-	-
Disposal of subsidiaries	(1.2)	(0.5)	(2.9)	-	0.6	(3.9)
Charge for the period	2.9	0.0	5.3	6.0	3.7	17.9
Used	(1.3)	(0.0)	(2.7)	(16.7)	(2.6)	(23.3)
Unused reversals	(0.6)	(0.0)	(1.6)	-	(0.1)	(2.3)
Other movements	(2.1)	-	-	-	(0.7)	(2.7)
At 31 December 2020	42.8	-	15.9	6.2	9.8	74.8
Changes in methods	(1.7)	-	-	-	-	(1.7)
Disposal of subsidiaries	(0.0)	-	-	-	-	(0.0)
Charge for the period	2.8	-	5.8	1.5	8.5	18.7
Used	(0.7)	-	(3.6)	(5.6)	(1.2)	(11.1)
Unused reversals	(0.5)	-	(3.8)	-	(0.3)	(4.6)
Other movements	(1.6)	-	-	-	-	(1.6)
At 31 December 2021	41.1	-	14.4	2.2	16.8	74.6
Current at 31 December 2020	-	-	15.9	6.2	9.8	32.0
Non-current at 31 December 2020	42.8	-	-	-	-	42.8
TOTAL	42.8	-	15.9	6.2	9.8	74.8
Current at 31 December 2021	-	-	14.4	2.2	16.8	33.4
Non-current at 31 December 2021	41.1	-	-	-	-	41.1
TOTAL	41.1	-	14.4	2.2	16.8	74.6

Provisions at 31 December 2021 and 2020 are analysed by business segment as follows:

	31/12/2021	31/12/2020
Television	45.1	43.4
Radio	20.4	23.2
Production and Audiovisual Rights	3.7	3.8
Diversification	5.3	4.3
Other	0.1	0.1
TOTAL	74.6	74.8

- Litigations included in the “provisions for litigations” caption relate to all legal proceedings instituted against one or several Group companies, for which it is probable that the outcome will be unfavourable for the Group. In the large majority of cases, such litigations have gone beyond the pre-litigation stage and are currently being considered or are undergoing judgement or appeal by competent courts (Commercial Court, Industrial Court, Court of First Instance, Criminal Court or Supreme Court of Appeal).

Additional information in respect of litigations in progress has not been included individually as disclosure of such information could be prejudicial to the Group.

- Provisions for off-balance sheet rights relate to the loss in value of broadcasting rights the Group is committed to purchase but are not yet included in balance sheet inventories.

The charge resulting from the likelihood that an unopened right (and as such classified in off-balance sheet commitments) will not be broadcast may not be accounted for by writing down a balance sheet asset, and therefore was recognised through a provision for liabilities and charges.

The writedown of an unopened right is consistent with the operation of the audiovisual rights market, since TV channels have generally entered into sourcing agreements with producers in relation to future productions, without having the certainty that the quality of the latter will be consistent and may be broadcast given their editorial policy and target audiences.

In any event, impairment losses are assessed and defined in consultation with the Group’s channels’ programming departments as part of a programme-by-programme portfolio review in light of audience targets attached to each programme and the editorial policy.

- “Other provisions for charges” relate to costs Métropole Télévision would have to incur to implement a contract or settle its regulatory or tax obligations, without the amounts in question being due or having been due, in particular within the framework of dispute settlement or legal proceedings.
- The amounts reported for all these types of provisions are the best possible estimate of the future outflow of Company resources, taking account of plaintiffs’ claims, judgments already passed, if applicable, or the management’s appraisal of similar instances and/or calculations made by the finance department.

The Group considers that the disbursement terms attached to these provisions come within the framework of its normal operating cycle, which justifies the classification of these provisions as current provisions.

23. Off balance sheet commitments / contingent assets and liabilities

Purchase of rights and co-production commitments (net)

These commitments mainly comprise:

- purchase commitments relating to rights not yet produced or completed;
- contractual commitments relating to co-productions awaiting receipt of technical acceptance or exploitation visa, net of prepayments made;

They are expressed net of advances and prepayments made in that respect for rights that are not yet recognised as inventories.

Image and signal transmission, satellite and transponders rental

These commitments relate to the supply of broadcasting services and the rental of satellite and transponder capabilities from private companies for digital broadcasting.

These commitments were measured using amounts remaining due up to the end date of each contract.

Non-cancellable leases

These liabilities correspond to property leases that have been signed but have not yet begun to run and thus, pursuant to IFRS 16 - Leases, are not recognised as assets and liabilities in the consolidated statement of financial position.

Responsibility for partnership liabilities

To the extent that the partners in a Partnership (Société en Nom Collectif - SNC) are liable in full and indefinitely for the liabilities of the partnership, the Group presents in full the liabilities of partnerships in which it is a partner, net of accruals and partners’ current account balances, as an off-balance sheet commitment given, and presents the other partners’ share of these liabilities as an off-balance sheet commitment received.

Sale of rights

These commitments comprise sales contracts of broadcasting rights that are not yet available at 31 December 2021.

Broadcasting contracts

These commitments relate to Group channel broadcasting contracts with Canal+ France and other distributors.

They were measured using amounts remaining due for each contract, up to the certain or probable contract end date.

None of the Group’s non-current assets have been pledged or mortgaged.

Off-balance sheet commitments are analysed as follows:

	< 1 year	1 to 5 years	> 5 years	Total 31/12/2021	Total 31/12/2020	Terms and conditions of implementation
Commitments given						
Purchase of audiovisual and radio rights and co-production commitments (gross) ⁽¹⁾	273.3	100.4	3.2	376.9	483.9	Contracts signed
Advances paid for the purchase of rights and co-production commitments	(48.2)	(17.2)	-	(65.4)	(53.0)	
<i>Purchase of audiovisual and radio rights and co-production commitments (net)</i>	<i>225.1</i>	<i>83.2</i>	<i>3.2</i>	<i>311.5</i>	<i>430.9</i>	
Image and signal transmission, satellite and transponders rental	35.2	79.7	0.0	114.9	100.4	Contracts signed
Non-cancellable property leases	0.1	0.3	0.3	0.6	-	Leases
Liability for debts	-	0.2	37.5	37.7	30.0	
Financial commitments	27.0	-	-	27.0	33.0	Contracts signed
Other	11.1	1.1	-	12.1	30.4	Contracts signed
TOTAL COMMITMENTS GIVEN	298.4	164.4	41.0	503.9	624.7	
Commitments received						
Sale of rights	12.5	10.1	-	22.5	20.5	Annual maturities
Broadcasting contracts	62.1	59.5	1.2	122.7	96.6	Contracts signed
Liability for debts	-	-	37.3	37.3	29.6	
Other	6.7	6.3	1.2	14.2	5.0	
TOTAL COMMITMENTS RECEIVED	81.3	75.8	39.7	196.8	151.7	

⁽¹⁾ The amount of the commitments given on the channels' broadcasting rights was €276.1 million at 31 December 2021.

At 31 December 2021, commitments given by the Group totalled €503.9 million, compared with €624.7 million at 31 December 2020.

This reduction in commitments given (down €120.8 million) is mainly the result of a €119.4 million decrease relative to 31 December 2020 in commitments to purchase rights and commitments to co-productions net of advances paid.

At 31 December 2021, commitments received by the Group totalled €196.8 million, compared with €151.7 million at 31 December 2020.

This €45.1 million increase in commitments received was mainly the result of a €26.1 million increase in the Group's broadcasting agreements with its main distribution partners Orange, Groupe Canal+ and Bouygues Telecom.

Furthermore, the Group is jointly and severally liable for the liabilities of Salto SNC (+€7.7 million in commitments given and received at 31 December 2021 compared to 31 December 2020).

24. Related parties

24.1. IDENTIFICATION OF RELATED PARTIES

Related parties to the Group comprise joint ventures and associates, RTL Group - 48.26% Group shareholder, Bertelsmann AG - RTL shareholder, corporate officers and members of the Supervisory Board.

24.2. TRANSACTIONS WITH SHAREHOLDERS

Borrowings from shareholders

At 31 December 2021, no funds were borrowed from Bayard d'Antin.

In fact, under the terms of a framework cash pooling agreement signed between Bayard d'Antin SA and Métropole Télévision, the first implementation of which dates back to 1 December 2005, Métropole Télévision has the option of borrowing funds from Bayard d'Antin, as long as the amount borrowed does not exceed 48% of that borrowed from banking institutions for periods ranging from 1 week to 3 months; the terms and conditions being consistent with those of the market. The Group still has the option of depositing surplus cash with Bayard d'Antin, either on a day to day basis or by depositing part of it for a period not exceeding 3 months. The remuneration provided by this agreement is in line with market conditions.

The renewal of this agreement for a further period of 12 months was authorised by the Supervisory Board on 26 October 2021.

In order to adhere to the cash depositing policy of Métropole Télévision (described in Note 19.3), the deposit with Bayard d'Antin may not exceed a given ratio of the cash resources of the Métropole Télévision Group.

Current transactions

	31/12/2021		31/12/2020	
	RTL Group	BERTELSMANN (excl. RTL Group)	RTL Group	BERTELSMANN (excl. RTL Group)
Sale of goods and services (revenue)	10.7	0.1	9.6	0.0
Purchases of goods and services	(26.9)	(1.2)	(21.4)	(1.1)

Day-to-day transactions with shareholders (and their subsidiaries) have been conducted at arms' length, it being specified that purchases primarily include the purchase of programmes from production companies owned by RTL Group.

The outstanding balances arising from these sales and purchases are the following:

	31/12/2021		31/12/2020	
	RTL Group	BERTELSMANN (excl. RTL Group)	RTL Group	BERTELSMANN (excl. RTL Group)
Receivables	2.6	0.0	2.3	0.0
Liabilities	15.7	0.6	17.2	1.3

Specific transactions

M6 Group purchased the French radio division (RTL, RTL2 and Fun Radio) of RTL Group, its leading shareholder.

Following this acquisition, two contracts were concluded by the Group with its shareholders during the 2017 financial year. One contract relates to the royalty fee for the RTL brand, while the second relates to the use of the long-wave licence.

24.3. TRANSACTIONS WITH JOINT VENTURES

The following transactions have taken place between Group subsidiaries and joint ventures:

	31/12/2021	31/12/2020
Sale of goods and services (revenue)	10.0	7.1
Purchases of goods and services	(16.9)	(11.6)

Sales and purchase transactions with joint ventures have been conducted at arms' length.

The transaction volumes in 2021 was mainly due to the operations of Bedrock and Salto SNC.

The net balance sheet positions were as follows:

	31/12/2021	31/12/2020
Receivables	34.6	22.1
<i>relating to financing</i>	19.7	10.1
Liabilities	7.3	6.1
<i>relating to financing</i>	0.3	1.9

Receivables relating to financing mainly consist of advances on current account.

Over the course of the 2021 financial year, dividends received from joint ventures totalled €1.7 million.

At 31 December 2021, a commitment in the amount of €8.2 million existed between M6 Distribution and Bedrock relating to royalties for use of the 6play platform in respect of 2023.

24.4. TRANSACTIONS WITH ASSOCIATES

The following transactions have taken place between Group subsidiaries and associates:

At 100 %	31/12/2021	31/12/2020
Sales of goods and services	1.5	0.4
Purchases of goods and services	(0.0)	(0.0)

Sales and purchase transactions with associates have been conducted at arms' length.

The net balance sheet positions were as follows:

	31/12/2021	31/12/2020
Receivables	0.4	0.4
relating to financing	0.4	0.4
Liabilities	-	-
relating to financing	-	-

Over the course of the 2021 financial year, dividends received from associates totalled €2.9 million.

24.5. TRANSACTIONS WITH CORPORATE OFFICERS

The remuneration paid in 2021 to the members of the Executive Board amounted to €4,965,114, of which €2,815,028 was fixed and €2,150,086 variable.

93,000 performance shares were allocated to members of the Executive Board on 20 April 2021.

168,367 performance-based shares were transferred over the same period to Executive Board members as part of the plans of 25 July 2018 and 30 July 2019 (members at the allocation date).

In addition, in this respect and in accordance with the same conditions as Group employees, the members of the Executive Board are entitled to a legally binding end of career payment (see Note 21).

Members of the Supervisory Board were paid a total of €236,000. Moreover, private individual members of the Supervisory Board or representing a legal entity member of the Supervisory Board held 22,500 Group shares in a personal capacity at 31 December 2021.

Total remuneration paid to the main corporate officers in respect of their duties within the Group, as referred to by IAS 24.17, was as follows:

	31/12/2021	31/12/2020
Short-term benefits		
Remuneration items	8.9	5.0
Other short-term benefits	0.0	0.0
Long-term benefits		
Share-based payments	1.3	-
TOTAL	10.2	5.0

Furthermore, detailed disclosure of remuneration is provided in Note 3.3 of the Universal Registration Document.

25. Statutory Auditors' fees

Statutory Auditors fees for the 2020 and 2021 financial years were as follows:

	EY				KPMG				TOTAL			
	2021	2020	% 2021	% 2020	2021	2020	% 2021	% 2020	2021	2020	% 2021	% 2020
Audit												
Statutory Audit, Certification of parent company and consolidated financial statements	0.3	0.3	100%	99%	0.4	0.4	85%	100%	0.7	0.7	92%	100%
Métropole Télévision	0.1	0.1	27%	28%	0.1	0.1	21%	23%	0.2	0.2	24%	26%
Fully consolidated subsidiaries	0.2	0.2	73%	71%	0.3	0.3	65%	77%	0.5	0.5	68%	74%
Other services	0.0	0.0	0%	1%	0.1	0.0	15%	0%	0.1	0.0	8%	0%
Métropole Télévision	0.0	0.0	0%	0%	0.1	0.0	15%	0%	0.1	0.0	8%	0%
Fully consolidated subsidiaries	0.0	0.0	0%	1%	0.0	0.0	0%	0%	0.0	0.0	0%	0%
TOTAL	0.3	0.3	100%	100%	0.4	0.4	100%	100%	0.7	0.7	100%	100%
TOTAL (%)	44%	46%			56%	54%						

26. Subsequent events

To the best of the Company's knowledge, no significant event that occurred since 1 January 2022 is likely to have, or to have had in the recent past, a significant impact on the Company and the Group's financial position, financial performance, activities and assets.

27. Group structure

			31/12/2021	31/12/2020		
Company	Legal form	Nature of operations	% share capital	Consolidation method	% share capital	Consolidation method
TELEVISION						
Métropole Télévision - M6 89 avenue Charles de Gaulle - 92575 Neuilly-sur-Seine cedex	SA	Parent company	-	FC	-	FC
M6 Publicité	SAS	Sales house	100.00%	FC	100.00%	FC
Ctzar	SAS	Agency specialised in influencer marketing	51.00%	FC	51.00%	FC
Ctzar Studio (formerly Sociaddict)	SAS	Agency specialised in influencer marketing	51.00%	FC	51.00%	FC
Wild Buzz Agency	SAS	Event company	40.00%	EA	40.00%	EA
M6 Thématique	SAS	Holding company of free-to-air and pay DTT channels	100.00%	FC	100.00%	FC
Edi TV - W9	SAS	W9 free-to-air channel	100.00%	FC	100.00%	FC
M6 Génération - 6Ter	SAS	6TER free-to-air channel	100.00%	FC	100.00%	FC
M6 Communication - M6 Music	SAS	M6 Music pay channel	100.00%	FC	100.00%	FC
Paris Première	SAS	Paris Première pay channel	100.00%	FC	100.00%	FC
Sedi TV - Téva	SAS	Téva pay channel	100.00%	FC	100.00%	FC
Extension TV - Série Club	SAS	Série Club pay channel	50.00%	EA	50.00%	EA
Jeunesse TV	SAS	Free-to-air channel Gulli	100.00%	FC	100.00%	FC
LTI Vostok	SARL	Russian channel Tiji Russia	100.00%	FC	100.00%	FC
SNDA	SAS	Audiovisual rights distribution	100.00%	FC	100.00%	FC
Bedrock	SAS	Technical platform	50.00%	EA	50.00%	EA
M6 Distribution Digital	SAS	6Play	100.00%	FC	100.00%	FC
M6 Shop	SAS	Dormant	100.00%	FC	100.00%	FC
Salto	SNC	French OTT platform	33 ^{1/3} %	EA	33 ^{1/3} %	EA
Salto Gestion	SAS	Holding company of the French OTT platform	33 ^{1/3} %	EA	33 ^{1/3} %	EA
RADIO DIVISION						
SERC - Fun Radio	SA	Fun Radio music radio station	100.00%	FC	100.00%	FC
Canal Star	SARL	Fun Radio local radio station	100.00%	FC	100.00%	FC
Sprgb Sarl	SARL	Fun Radio local radio station	100.00%	FC	100.00%	FC
Société Communication A2B	SARL	Fun Radio local radio station	100.00%	FC	100.00%	FC
Gigasud sarl	SARL	Fun Radio local radio station	-	M	100.00%	FC
SODERA - RTL2	SA	RTL2 music radio station	100.00%	FC	100.00%	FC
Média Stratégie	SARL	RTL2 local radio station	100.00%	FC	100.00%	FC
FM Graffiti	SARL	RTL2 local radio station	100.00%	FC	100.00%	FC
Radio Golfe	SARL	RTL2 local radio station	100.00%	FC	100.00%	FC
Radio Porte Sud	SARL	RTL2 local radio station	100.00%	FC	100.00%	FC
RTL France Radio	SAS	RTL Radio	100.00%	FC	100.00%	FC
PRODUCTION AND AUDIOVISUAL RIGHTS						
M6 Films	SA	Co-production of films	100.00%	FC	100.00%	FC
M6 Studio	SAS	Production of animated feature films	100.00%	FC	100.00%	FC
C. Productions	SA	Programme production	100.00%	FC	100.00%	FC
Studio 89 Productions	SAS	Production of audiovisual programmes	100.00%	FC	100.00%	FC
GM6 - Golden Network	SAS	Digital production and publishing	100.00%	FC	100.00%	FC
Société Nouvelle de Distribution	SA	Distribution of films to movie theatres	100.00%	FC	100.00%	FC
Épithète Films	SAS	Audiovisual rights production/distribution	100.00%	FC	100.00%	FC

			31/12/2021		31/12/2020	
DIVERSIFICATION						
M6 Foot	SAS	Holding company - Sports	100.00%	FC	100.00%	FC
M6 Interactions	SAS	Entertainment and exploitation of merchandising rights	100.00%	FC	100.00%	FC
M6 Evénements	SA	Event production	100.00%	FC	100.00%	FC
M6 Editions	SA	Print publications	100.00%	FC	100.00%	FC
M6 Digital Services	SAS	Internet content and access provider	100.00%	FC	100.00%	FC
Global Savings Group	GmbH	Internet company	41.49%	EA	41.63%	EA
QuickSign	SAS	Various specialised, scientific and technical activities	23.90%	EA	23.90%	EA
Panora Services	SAS	Online bank comparison engine	50.00%	EA	50.00%	EA
M6 Créations	SAS	Production of audiovisual works	100.00%	FC	100.00%	FC
Stéphane Plaza France	SAS	Estate agent	51.00%	FC	49.00%	EA
Unité 15 Belgique	SA	Customer service	-	M	100.00%	FC
Joikka	SAS	Online jewellery selling	-	M	100.00%	FC
Luxview	SAS	E-commerce	-	M	100.00%	FC
Optilens	SPRL	E-commerce	-	M	100.00%	FC
Best of TV	SAS	Wholesale trade	51.00%	FC	51.00%	FC
Best of TV Benelux	SPRL	Wholesale trade	100.00%	FC	100.00%	FC
PROPERTY - DORMANT COMPANIES						
Immobilière 46D	SAS	Neuilly building	100.00%	FC	100.00%	FC
Immobilière M6	SAS	Neuilly building	100.00%	FC	100.00%	FC
SCI du 107	SCI	Neuilly building	100.00%	FC	100.00%	FC
M6 Diffusion	SA	Holding company - digital operations	100.00%	FC	100.00%	FC
M6 Développement	SASU	Training organisation	100.00%	FC	100.00%	FC
SND USA	INC	Holding Company - audiovisual rights	-	M	100.00%	FC
SND Films	LLC	Development of cinematographic works	100.00%	FC	100.00%	FC
M6 Invest 1	SAS	Dormant	100.00%	FC	100.00%	FC
M6 Invest 2	SAS	Dormant	100.00%	FC	100.00%	FC
INVESTMENTS SOLD OR DECONSOLIDATED						
M6 Hosting	SAS	Web hosting and managed services	-	-	100.00%	FC
Elephorm	SAS	Internet company	-	-	34.00%	EA

FC: Full consolidation

EA: Equity accounted M:

Merged / Liquidated

The Group is not a shareholder or participating stakeholder in any special purpose entities.