



Management Report
First half of 2021

Management Report – First half of 2021

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1. Financial information – First half of 2021

1.1 Consolidated results

Financial indicators

These key figures are extracted from TF1 group consolidated financial data. The results below are presented in accordance with IFRS 16, applicable from 1 January 2019.

The results below are presented using the new segmental reporting structure as described in Note 4 to the consolidated financial statements.

(€m)	H1 2021	H1 2020
Revenue	1,128.7	883.5
Group advertising revenue	802.5	615.0
Revenue from other activities	326.2	268.5
Current operating profit/(loss)	169.1	67.8
Operating profit/(loss)	166.7	67.8
Net profit/(loss)	108.4	38.4
Operating cash flow after cost of net debt, income from net surplus cash, interest expense on lease obligations and income taxes paid	299.5	138.7
Basic earnings per share from continuing operations (€)	0.52	0.18
Diluted earnings per share from continuing operations (€)	0.51	0.18
Shareholders' equity attributable to the Group	1,626.5	1,589.5
Net surplus cash/(net debt) of continuing operations	34.3	(22.1)
	H1 2021	H1 2020
Weighted average number of ordinary shares outstanding ('000)	210,392	210,268
Closing share price at end of period (€)	8.53	4.81
Market capitalisation at end of period (€bn)	1.79	1.01

Income statement contributions – continuing operations

The results below are presented using the new segmental reporting structure as described in Note 4 to the consolidated financial statements.

(M€)	T1 2021	T1 2020	T2 2021	T2 2020	S1 2021	S1 2020	VAR.	VAR. %
Publicité Groupe*	357,9	355,8	444,6	259,2	802,5	615,0	187,5	30,5%
Autres activités*	151,9	138,1	174,3	130,4	326,2	268,5	57,7	21,5%
Média**	444,5	444,1	538,9	340,9	983,4	785,0	198,4	25,3%
<i>Chiffre d'affaires publicitaire**</i>	357,8	355,8	444,6	259,3	802,4	615,0	187,4	30,5%
<i>dont chiffre d'affaires publicitaire digital**</i>	27,9	27,4	35,2	25,3	63,1	52,7	10,4	19,7%
Newen Studios**	65,2	49,9	80,1	48,6	145,3	98,4	46,9	47,6%
Chiffre d'affaires consolidé*	509,8	493,9	618,9	389,6	1 128,7	883,5	245,2	27,8%
Média**	46,8	42,7	100,6	28,1	147,4	70,8	76,6	108,1%
Newen Studios**	10,0	(0,7)	11,7	(2,3)	21,7	(3,0)	24,7	-
Résultat opérationnel courant*	56,8	42,0	112,3	25,8	169,1	67,8	101,3	149,4%
<i>Taux de marge opérationnelle courante*</i>	11,1%	8,5%	18,1%	6,6%	15,0%	7,7%	-	+7,3pts
Résultat opérationnel *	56,8	42,0	109,9	25,8	166,7	67,8	98,9	145,9%
Résultat net part du Groupe*	34,3	24,0	74,1	14,4	108,4	38,4	70,0	182,3%
Coût des programmes des 5 chaînes*	(202,1)	(199,1)	(246,6)	(139,7)	(448,7)	(338,8)	(109,9)	32,4%
Coût des programmes***	(210,8)	(208,2)	(255,6)	(147,2)	(466,4)	(355,4)	(111,0)	31,2%

*Données historiques publiées

**Données historiques Proforma

***L'indicateur coût des programmes, qui se substitue à partir du 31/03/21 à l'indicateur coût des programmes des 5 chaînes, intègre le coût des activités délinéarisées (MYTF1, LCI Digital) ainsi que celui des chaînes thématiques (TV Breizh, Ushuaïa TV, Histoire TV).

Analysis of cost of programmes

(€m)	H1 2021	H1 2020
Total cost of programmes	(466.4)	(355.4)
TV dramas / TV movies / Series / Theatre	(164.6)	(114.3)
Entertainment	(125.6)	(117.0)
News (including LCI)	(70.0)	(67.0)
Movies	(60.6)	(52.4)
Sport	(40.4)	(0.5)
Kids	(5.3)	(4.2)

1.2 Significant events of the first half of 2021

January

22 January 2021

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

February

10 February 2021

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

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

19 February 2021

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

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

professions and go behind the scenes at the TF1 group.

March

5 March 2021

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

23 March 2021

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

31 March 2021

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

April

15 April 2021

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

27 April 2021

Newen maintains its strong international growth momentum by acquiring a majority stake in iZen — a key independent production group in Spanish drama and factual entertainment. By

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doing so, Newen is extending its presence in the French and English-speaking markets to include a leading position in the Spanish-speaking world.

May

6 May 2021

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

12 May 2021

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

17 May 2021

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

June

17 June 2021

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

23 June 2021

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

25 June 2021

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

28 June 2021

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

1.3 Analysis of consolidated results

The results below are presented using the new segmental reporting structure as presented in Note 4 "Operating segments" to the consolidated financial statements, and in accordance with IFRS 16 (applicable from 1 January 2019).

Revenue

Consolidated revenue of the TF1 group for the first half of 2021 reached €1,128.7 million, a sharp increase of €245.2 million (+27.8%). On a constant structure basis and at constant exchange rates, consolidated revenue was up 28.5%.

Group advertising revenue was €802.5 million, a year-on-year rise of €187.5 million (+30.5%). This sharp increase was mainly driven by strong momentum in TV advertising during the second quarter, the Q2 2020 comparative having been affected by the first lockdown.

Revenue from other activities amounted to €326.2 million, up €57.7 million (+21.5%). Content production activities at Newen posted strong revenue growth compared with the previous year, when most shooting was suspended for nearly two months.

Cost of programmes and other current operating income/ expenses

Cost of programmes

The TF1 group's cost of programmes reached €466.4 million, an increase of 31.2% on the 2020 first-half figure of €355.4 million. April and May 2020 were marked by substantial cost savings on programmes, designed to absorb the erosion of advertising revenue. During 2021, a controlled ramp-up of programme spend - so we can broadcast a rich and diverse range of all-new content - has enabled us to meet the expectations of our advertisers.

Other income, expenses and depreciation, amortisation and provisions

Other expenses and depreciation, amortisation and provisions amounted to €493.2 million in H1 2021, higher than the H1 2020 figure of €460.3 million which reflected cost savings amid the Covid-19 crisis.

Current operating profit

Current operating profit amounted to €169.1 million, an increase of €101.3 million versus the H1 2020 figure of €67.8 million. The H1 2021 figure includes a TV broadcasters tax credit of approximately €20 million, offset against an increase in impairment allowances due to a higher level of programme deliveries than in 2020.

This topped the level achieved in 2019 (€163.0 million). Current operating margin for the period was 15.0%.

Operating profit

Operating profit came to €166.7 million, after charging €2.4 million of non-recurring expenses relating to the proposed merger between TF1 and M6.

Net profit

Net profit attributable to the Group was €108.4 million, up €70.0 million year-on-year.

Financial position

Shareholders' equity attributable to the Group was €1,626.5 million at 30 June 2021 out of a balance sheet total of €3,540.2 million.

The Group reported net surplus cash of €34.3 million at 30 June 2021 (net debt of €46.8 million including lease obligations), versus net debt of

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€0.7 million at 31 December 2020 (net debt of €93.1 million including lease obligations).

As of 30 June 2021, TF1 had confirmed bilateral bank credit facilities of €1,100 million, including €180 million for Newen Studios.

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

As of 30 June 2021, drawdowns under those facilities amounted to €81 million, all of which related to Newen Studios.

Share ownership

	30 June 2021		
	Number of shares	% of capital	% of voting rights
Bouygues	91,946,297	43.7%	43.7%
TF1 employees	19,543,299	9.3%	9.3%
via the FCPE TF1 fund (3)	19,118,498	9.1%	9.1%
as registered shares (4)	424,801	0.2%	0.2%
Free float	98,996,039	47.0%	47.0%
Free float - rest of world (1)	46,599,283	22.1%	22.1%
Free float - France (1) (2)	52,396,756	24.9%	24.9%
Treasury shares	0	0.0%	0.0%
Total	210,485,635	100.0%	100.0%

- (1) Estimates based on Euroclear statements.
- (2) Includes unidentified holders of bearer shares.
- (3) Shares held by employees under the employee share ownership scheme. FCPE TF1 Actions, the fund associated with the scheme, receives voluntary contributions from employees and the top-up contribution paid by the company. It invests in TF1 shares by buying them directly on the market. The Supervisory Board of the FCPE TF1 Actions fund exercises the voting rights attached to the equity securities in its portfolio and decides whether to tender the securities into a public offer.
- (4) Employees holding registered shares exercise their voting rights individually.

Significant events after the reporting period

8 July 2021

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

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

The completion of the transaction remains subject to the usual condition precedents, in particular the authorizations of the competent authorities¹ and the general meetings of Groupe TF1 and Groupe M6. The transaction is aimed to close by the end of 2022.

¹ The antitrust authorities (Autorité de la Concurrence) and media regulator (Conseil Supérieur de l'Audiovisuel).

1.4 Segment information

Media

Revenue

Revenue for the Media segment reached €983.4 million, a rise of €198.4 million (+25.3%).

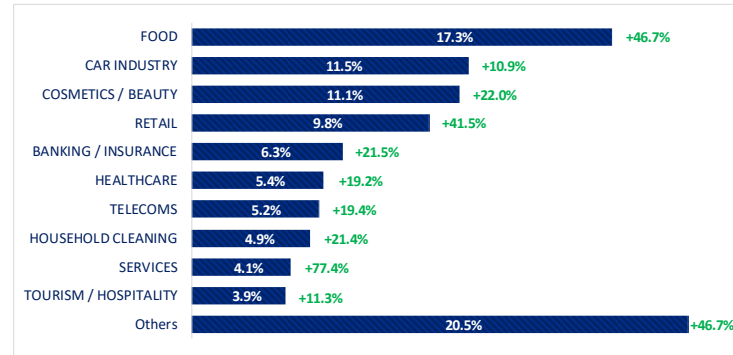
Media segment advertising revenue for the first half of 2021 was up 30.5% at €802.4 million, helped by a favourable prior-year comparative reflecting the economic impact of the lockdown from March to May 2020. Some sectors such as leisure, arts and apparel, where advertising spend had previously been in decline, actually increased their spend relative to the second quarter of 2019. Digital advertising revenue amounted to €63.1 million, up €10.4 million on the first half of 2020, driven mainly by MyTF1. Advertising revenue from the Group’s websites (Marmiton, Doctissimo) was marginally lower than in the first half of 2020.

Revenue from other Media segment activities advanced by €11.0 million year-on-year, lifted by a recovery in advertiser services (Ykone, Gamned) and strong momentum in subscription box sales (including My Little Paris). Despite a tough prior-year comparative, interactivity revenue held steady year-on-year thanks to the screening of the Euro 2020 football tournament.

Gross revenue for the TF1 group’s free-to-air channels for H1 2021 was up 31.5% versus H1 2020.

Trends in gross advertising spend (excluding sponsorship) by sector for H1 2021 are shown in the following chart.

Source: Kantar Média, H1 2021 vs. H1 2020.



Current operating profit

The Media segment reported a current operating profit of €147.4 million, a year-on-year rise of €76.6 million, generating current operating margin of 15.0% (up 6.0 points year-on-year).

Media audience ratings¹

Daily viewing time remained high in the first half of 2021. While down slightly relative to the beginning of 2020, which coincided with the first lockdown, it was up on a two-year basis across all target audiences. It reached 3 hours 45 minutes for individuals aged 4+, up 8% versus 2019. Daily viewing time for the “women aged under 50 purchasing decision makers” (W<50PDM) target audience was 3 hours 12 minutes in the first half, an increase of 2% over two years. In the 24-49 year-olds target audience, daily viewing time totalled 3 hours 4 minutes, up 2% compared to the same period in 2019.

Since April 2020, Médiamétrie audience metrics have included viewing outside the home on any device (such as TV sets in second homes, bars, workplaces or railway stations, and on computers and smartphones). TV viewing within the home on other internet-enabled screens (computers, tablets smartphones, etc) is due to be incorporated in Médiamétrie audience metrics during 2022.

With restrictions gradually being lifted, the TF1 group continued to attract and engage with a

¹ Source: Médiamétrie

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majority of French people, as shown by the high audience numbers in the first half of 2021:

- 33.5% audience share of W<50PDM (+1.6pts vs H1 2020);
- 30.5% of 25-49 year-olds (+0.9pt vs H1 2020).

TF1

In the first half of 2021, TF1 confirmed its unique ability to bring people together across all programme genres and audiences, achieving an audience share of 19.9% among individuals aged 4+ (+0.8pt year-on-year) and 22.5% among W<50PDM (+1.0pt year-on-year) over the period.

To end June 2021, the channel earned 72 of the top 100 ratings among individuals aged 4+, and 81 of the top 100 ratings among W<50PDM, thanks to its extensive and varied line-up across a range of programme genres:

- **French drama:** We are more committed than ever to putting French drama at the heart of our editorial strategy. Over the period, TF1 dominated the Top 10 and took all 10 slots for French drama, thanks to all-new programmes like the smash hit *HPI* (up to 12.4 million viewers, 44.3% audience share), *La promesse* (up to 8.3 million viewers, 32.1% audience share), *Le remplaçant* (up to 8.1 million viewers, 28.1% audience share), and *Gloria* (up to 7.6 million viewers, 30.3% audience share).
- **Sport:** One of the highlights of the first half of 2021 was the success of the Euro 2020 football tournament, with matches featuring the French team delivering record-beating audiences: the France/Switzerland match pulled in 16.3 million viewers, a 63.3% audience share (the biggest TV audience since the 2018 World Cup), and the France/Portugal match attracted 15.6 million viewers, a 56.3% audience share. TF1 broadcast three of the four matches played by the French team.
- **Entertainment:** TF1 attracted the biggest audience for an entertainment show in the first half of 2021, with 9.7 million viewers

tuning in for the *Enfoirés* concert (38% share of individuals aged 4+, 51.6% share of W<50PDM). The first half also saw the return of the iconic shows *The Voice* (up to 6.8 million viewers, 43.6% share of W<50PDM) and *Koh-Lanta* (up to 6.7 million viewers, 49.1% share of W<50PDM).

- **News:** TF1 remains the go-to channel for news, with 12.6 million viewers tuning in for President Macron's broadcast on 31 March 2021, and up to 8.1 million viewers (31.1% audience share) for the evening news.
- **Movies:** The movie offering proved very popular over the period, as demonstrated by the success of first-run films such as *Le sens de la fête* (7.5 million viewers, 31.2% audience share), *Jumanji: Welcome to the Jungle* (6.3 million viewers, 25.1% audience share), and *Retour chez ma mère* (6.3 million viewers, 28.2% audience share).

DTT channels

In the first half of 2021, the TF1 group's DTT arm — TMC, TFX, TF1 Séries Films and LCI — maintained its market leadership with combined audience shares of 11.0% among W<50PDM (+0.6pt year-on-year) and 9.9% among 25-49 year-olds (+0.2pt year-on-year).

TMC

TMC delivered a very strong performance over the period and confirmed its status as the most-watched DTT channel among individuals aged 4+, with audience share of 3.1% (+0.1pt vs 2020). It also retained its position as France's no.4 free-to-air TV channel among 25-49 year-olds, with audience share up 0.6pt year-on-year to 4.7%.

Factors underpinning this performance included:

- A record start to the year for *Quotidien*, France's no. 1 talk show, averaging 1.9 million viewers and hitting a record of 2.4 million viewers;
- Successful documentaries and entertainment programmes, especially a new show, *Canap'95*, that attracted 1.9 million

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viewers — the biggest audience for a prime-time entertainment programme in three years;

- Event programmes like the *Meghan & Harry Interview*, which pulled in 1.8 million viewers, and the 2021 handball semi-final between France and Sweden, which drew in 1.6 million viewers;
- A sensational movie line-up, with 1.8 viewers tuning in for *Black Panther*.

TFX

TFX confirmed its ranking as France's no.3 DTT channel among the W<50PDM target audience (with a 3.6% share, up 0.3pt year-on-year) thanks to:

- An unmissable cinema offering (up to 1.3 million viewers for *Home Alone* and *The Hitman's Bodyguard*);
- Unscripted evening shows that are a hit with the W<50PDM audience like *Cleaners*, *Tattoo Cover* (4% audience share), and *Familles Nombreuses* (3% audience share).

TF1 Séries Films

TF1 Séries Films was no. 2 HD DTT channel among individuals aged 4+ (1.7% audience share). American series were a strong draw for W<50PDM in the evening schedules, with *NY Section Criminelle* (Law and Order: Criminal Intent) and *Les Experts Manhattan* (CSI: NY) both attracting a 3% share of that audience. Movies also pulled in big audiences, especially *Le jour de gloire* (1.0 million viewers), and *RRRRRRR* (0.6 million viewers). French drama also performed well, including *Commissaire Moulin* (up to 1.4 million viewers).

LCI

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

The special broadcasts during the 2021 French regional elections (debates, election evening round-ups) attracted a strong audience, peaking at 1.7% among individuals aged 4+ on the night of the first round of elections.

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

All three theme channels saw record audience ratings in the first half of 2021:

- TV Breizh retained its status as the pay-TV market leader for the 9th time in a row with a 0.9% share of individuals aged 4+, and also as market leader with the W<50PDM target audience for the second consecutive wave.
- Histoire TV ranks no. 3 among documentary channels for individuals aged 4+, and even ranking no. 2 among ABC1s. The channel saw a 14% increase year-on-year among individuals aged 4+.
- Ushuaïa TV increased its audience by 23% year-on-year among individuals aged 4+, and was the no. 3 ranked documentary channel by audience reach with 3.5 million individuals aged 4+ in one month.

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

e-TF1

The TF1 group is pursuing its digital expansion strategy.

Revenue was up sharply versus the first half of 2020, due mainly to higher advertising revenue.

MYTF1 posted strong revenue growth, driven by the return of advertising spending versus H1 2020. MYTF1 audiences by number of video views rose by over 20% year-on-year¹.

¹ Including live 4-screen audiences, excluding news and ISP apps

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Interactivity also recorded strong performances in Q2, especially with the Euro 2020 football tournament and unscripted programmes like *The Voice*.

Current operating profit was up versus the first half of 2020.

Websites

On the Marmiton website, the number of sessions hit 320 million by end June 2021. Marmiton's successful positioning was recently recognised with the award of the Harris Interactive "Label of Excellence". The number of sessions on the Doctissimo website was 178 million. Both sites were confirmed as market leaders in their special-interest category.

Advertising services

Advertising services revenue was up year-on-year, as agencies Ykone and Studio 71 resumed their influencer marketing activities.

Revenue from other activities

Music/events

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

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

E-commerce

E-commerce revenue (subscription box sales) was higher year-on-year, driven by the My Little Paris and Gambettes Box lines.

Newen Studios

The Newen Studios group, which has operations in seven countries, produces and distributes content across several genres such as drama,

unscripted shows, cartoons, documentaries, TV movies, and feature films.

The Newen Studios segment posted revenue of €145.3 million for the first half of 2021, up €46.9 million year-on-year.

Operating results during the first six months were boosted by a catch-up effect, with some productions scheduled for 2020 (especially in Canada and Belgium) having been postponed due to the Covid-19 crisis. Shooting is now proceeding normally for our studio teams, subject to strict compliance with barrier measures.

Newen continues to expand internationally, as shown by the acquisition of a majority stake in Spanish producer iZen (which is fully consolidated from June 2021). The Group has also struck major partnership deals with other industry players such as A&E Networks, which has acquired a 35% stake in Newen's Canadian subsidiary Reel One to accelerate growth in its operations. Overall revenue at Newen Studios was up 47.6% year-on-year, with activities outside France accounting for 40% of total revenue.

During the first half a number of productions for pure player platforms were confirmed, such as *Diamonds* in the first quarter (a De Mensen production for Netflix) and more recently *Liaison*, the first major French-language series to be commissioned by Apple TV+ (co-produced by Newen subsidiaries Léonis Productions and Ringside Studios). Orders from platforms represented 28% of the total book of orders at end June 2021, compared with 7% a year earlier. Overall, the book of orders stands at 1,500 hours.

Distribution activities are also buoyant, as witness the new series HPI - the most successful drama series on TF1 for 15 years - which is being distributed by Newen in a number of countries outside France.

The Newen Studios segment reported a current operating profit of €21.7 million, a marked upswing of €24.7 million from the €3.0 million loss posted in the first half of 2020. The segment's current operating margin was 15.0%.

In the first half of 2021, the divested activities of TF1 Games were maintained within the Newen Studios segment.

1.5 Corporate social responsibility

Solidarity

Pancreatic cancer research

For the season finale of *Koh-Lanta, les armes secrètes* on 4 June, we renewed our support for the ARC Foundation through our #PourBertrandKamal fund for pancreatic cancer research. The fund was named in tribute to a contestant from the previous season who succumbed to the disease.

UN Women

As part of the UN's Generation Equality Forum, the TMC channel broadcast a short programme, *Un jour l'égalité !*, produced by the *Institut national de l'audiovisuel* (INA). It features 20 portraits of women from around the world — epidemiologists, artists, philosophers, members of parliament, etc. — who recount the day they committed to achieving gender equality.

Fight against cystic fibrosis

On 22 May, we aired the documentary *Les 20 ans de Star Ac* and held a donation drive for Association Gregory Lemarchal — a charity that since 2007 has been funding major cystic fibrosis research programmes, providing patient

and family support to improve their lives, and running awareness campaigns on the reality of the disease and on organ donation.

Inclusion

Mention particulière, bienvenue dans l'âge adulte

Following the success of *Mention particulière* — a TV drama aired in 2017 inspired by the true story of a young woman with Down's syndrome who earned her science *baccalaureat* with distinction — we showed the sequel *Mention particulière, bienvenue dans l'âge adulte* on 10 May. Played by Marie Dal Zotto, who herself has Down's syndrome, the heroine Laura is now an intern at a radio station and dreams of becoming a journalist. Nearly 4 million viewers tuned in to watch the sequel.

Pride Month

For Pride Month, we supported the initiative of the French Ministry for Gender Equality, Diversity and Equal Opportunities by producing and running on the Group's social networks a spot broadcast that delivered a positive message to promote a more inclusive society, and starred LGBT+ people and celebrities alongside their supporters.

And for the International Day Against Homophobia, Transphobia and Biphobia on 17

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May, MYTF1, ITV and the French public health agency, Santé Publique France, held a concert that was posted on the Instagram and Facebook accounts of *The Voice*. Hosted by Nikos Aliagas, the concert promoted openness and sharing, while showcasing the season's 11 talents.

Sustainable society

Deauville Green Awards

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

Earth Day

For this year's Earth Day on 22 April, TMC offered a non-stop, 24-hour line-up of programmes on topical environmental issues. *Quotidien* kicked off on 21 April at 7.25 pm with a special feature on the environment, with guest Cyril Dion, before Fanny Agostini (*En Terre ferme*) took over to host the day's remarkable event. The line-up included activist films such as *Demain* (Tomorrow), *Home*, and *Promised Land*, and documentaries like *Generation Greta*, as well as the TV show *En Terre ferme* hosted by Fanny Agostini and guest-starring Nicolas Hulot.

TF1's TV news programmes also focused on topics ranging from protecting the planet to sounding the alarm on the threats posed by climate change. The evening news, for instance, had a special feature on the protection of Gabon's forest, the Earth's second lung after the Amazon. Ushuaïa TV also adapted its line-up for Earth Day by running films like *The Salt of the Earth*.

aufeminin, Marmiton and Doctissimo gave prominence to Earth Day through content on ecofeminism, zero-waste and the effects of pollution on health, and by organising challenges on social media.

Non-financial reporting

The TF1 group was issued a C+ score by the ISS ESG rating agency, and given "prime" status in the media sector.

1.6 Human resources update

As of 30 June 2021, the TF1 group had 3,173 employees on permanent contracts.

1.7 Outlook

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

The creation of the new Media segment will help the Group unlock new synergies and strengthen its position across all content distribution channels. The back-to-school period promises an ambitious line-up, accessible by both linear and non-linear viewers, featuring strong programmes from all-new French drama like *Une affaire française* and *Il est Elle* to new seasons of *Danse avec les Stars*, *The Voice*, *Mask Singer* and *District Z*. This will confirm our central role in the total video universe, delivering what advertisers want. Backed by a scheduling strategy designed to conquer market share and a strong know-your-customer ethos, our ad sales teams are primed to create even more value for advertisers.

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

Given the incorporation of our Digital activities within the Media segment, we are not reiterating the guidance announced in February 2021 for the current operating margin of our Unify division. Buoyed by this reorganisation and its high potential for synergies, and by the pick-up in production activities, the TF1 group expects double-digit current operating margin from 2021, in line with 2019 levels.

Following a favourable opinion from employee representative bodies at the end of June 2021, the Bouygues and RTL groups announced on 8 July that they had signed agreements relating to the proposed merger between the TF1 and M6 groups.

Closing of the transaction remains subject to regulatory approvals from the French competition authority (ADLC) and French broadcasting industry regulator (CSA), who are now in a position to complete their analysis of the deal within the time-frame initially set.

1.8 Stock market performance

TF1 shares closed at €8.53 per share on 30 June 2021 representing an increase of 29.4% since the start of the year. Over the same period the CAC 40 and the SBF 120 increased by 17.2% and 15.9% respectively, and the Stoxx Europe 600 Media index increased by 16.2%.

The total market capitalization of the TF1 group stood at €1.795 billion as of 30 June 2021, versus €1.386 billion as of 31 December 2020.

1.9 Related parties

There has been no significant change in respect of related parties since publication of the 2020 TF1 *Document d'Enregistrement Universel* (Universal Registration Document) filed with the *Autorité des Marchés Financiers* (AMF) on 10 March 2021 under reference number D.20-0118 (English version available on the TF1 corporate website), other than movements in the treasury current account with Bouygues Relais.

1.10 Risk factors

The TF1 group has assessed risks associated with **the Covid-19 pandemic**, and the potential impacts on its operations, for the second half of 2021. Based on currently available information and in light of the adaptability shown by the Group in 2020, it has been decided not to include

such risks in the risk factor update provided below. Nevertheless, the group continues to monitor the situation.

Molotov TV litigation

On 1 July 2019, the TF1 group channels brought copyright infringement proceedings against Molotov TV in the Paris Judicial Court, alleging that Molotov TV was continuing to broadcast and exploit those channels without authorisation, covertly and with the complicity of third parties. The magistrate preparing the case has declared the proceedings to be concluded, and set a date of November 2021 for the hearings. Consequently, judgement is expected at the end of 2021. In connection with those proceedings, on 18 November 2020 the TF1 group channels requested the magistrate preparing the case in the Paris Judicial Court to serve a cease-and-desist order on Molotov TV to prevent it using the free-to-air channel brand names; that request was granted on 18 December 2020.

As a further step in this matter, on 27 May 2021 the TF1 group channels brought an action against Panasonic in the Nanterre Judicial Court alleging copyright infringement and passing off, based on a partnership between Panasonic and Molotov TV that allows unauthorised access to the TF1 group channels via the “Molotov source TV” solution.

For its part, Molotov TV requested the French Competition Authority on 12 July 2019 to take protective measures against practices adopted by TF1 and M6 in the broadcasting and selling of TV channels. This was largely in response to TF1's refusal to allow Molotov TV to broadcast TF1 group channels free of charge. On 30 April 2020, the Competition Authority dismissed Molotov TV's complaint on the merits. Molotov TV has lodged an appeal with the Paris Appeal Court, seeking to have the Competition Authority's decision annulled and set aside. The Paris Appeal Court is due to deliver its ruling in September 2021. On 16 June 2020, Molotov TV requested the Competition Authority to initiate proceedings against TF1, M6 and France Télévisions for breach of the undertakings made by those companies in connection with the authorisation for Salto. Because of the failure by

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the Competition Authority to respond, Molotov TV filed a petition with the *Conseil d'État* on 16 October 2020, contesting the refusal of its initial request implicit in the Authority's failure to respond.

Subsequently, Molotov TV filed an action against TF1 and TF1 Distribution in the Paris Commercial Court on 10 November 2020, seeking damages and penalties on the basis that the distribution arrangements offered by TF1 Distribution would impose unfair obligations on Molotov TV, with the aim of obtaining a benefit without reciprocal consideration. Molotov TV claimed that those arrangements would violate the undertakings made by TF1 in connection with the authorisation for Salto.

Complaint and claim filed with the CNIL

On 26 June 2020, the Privacy International NGO applied to CNIL, the French data protection agency, for an investigation into whether the Doctissimo website complies with the General Data Protection Regulation (GDPR).

In response to the allegations, Doctissimo wrote to CNIL clarifying some of the issues raised in the investigation request, and informing CNIL of the status of GDPR deployment on the website.

CNIL launched an audit of how personal data accessible from the doctissimo.fr website is processed; that audit is ongoing.

However, the complaint made by CNIL in June 2020 relating to the placing of cookies on the MYTF1 service (published by e-TF1) has been dropped.

TF1 is looking into these various actions, and ensuring that GDPR requirements and CNIL guidelines are being implemented as outlined above.

Risks related to cookies and internet trackers

Description of the risk

In January 2017, the European Commission issued a proposal for a new European ePrivacy

Regulation, to replace the previous ePrivacy Directive of 2002. The proposed new regulation is complementary to the General Data Protection Regulation (GDPR), in that it deals with the protection of electronic communication data (metadata). The potential impacts on TF1 include (i) substantially restricting the Group's capacity to freely collect user data using cookies and trackers (files saved in users' browsers to track their browsing history), and (ii) strengthening the position of the internet giants (led by Facebook and Google) who do not rely on cookies and trackers to collect data (because they require users to log in) and who control web browsers (which under the current ePrivacy proposals will be where user consent and refusal would be centralised).

The proposed European ePrivacy Regulation potentially brings about a triple paradigm shift in the use of cookies:

- switch from implied consent (displaying a notification banner with no break in browsing) to explicit consent (users must opt in to receive cookies);
- setting up browsers to block all cookies as the default, whereas previously the default setting was to accept cookies;
- prohibition on the use of "cookie walls", the hitherto tolerated practice of making access to a site conditional on accepting cookies.

Without waiting for the future ePrivacy Regulation currently being discussed at European level, and in response to a 19 June 2020 *Conseil d'État* ruling partially reversing the CNIL decision of 4 July 2019 (which had inferred a general ban on cookie walls), the CNIL issued the definitive version of its guidance and recommendations on cookies and other trackers on 1 October 2020. Companies have six months from the date of publication (i.e. until 31 March 2021) in which to comply.

There are two key aspects to this new guidance. Firstly, merely continuing to browse a site can no longer be regarded as a valid expression of consent to the placing or reading of cookies. Secondly, CNIL's failure to proactively include in its new guidance any criteria for determining the lawfulness of cookie walls creates legal

uncertainty for companies around the alternative ways they can use to offer content/services to users who refuse consent for cookies and other trackers.

The entry into force of the EU ePrivacy regulation, and how it is interpreted by CNIL, could have a negative impact on advertising revenue from TF1's digital operations.

Notwithstanding the Conseil d'État ruling mentioned above, recent initiatives by Google and Apple considerably restrict the TF1 group's ability to (i) obtain the user consents necessary to continue to supply ad-funded content and (ii) propose its cookie wall for users. The Google initiative is the "Privacy Sandbox", which will ban third-party cookies on its Chrome browser from the end of 2023. The Apple initiatives are Intelligent Tracking Prevention (ITP), which has banned third-party cookies since the launch of iOS 13.4 in March 2020; and App Transparency Tracking (ATT), introduced with iOS 14.5 (April 2021), which imposes an extra layer over and above the web publisher's CMP to obtain consent for placing and reading ad trackers.

1.11 Diary dates

- **28 October 2021:** 2021 nine-month results
- **11 February 2022:** 2021 annual results.

These dates may be subject to change.

2. 2021 Consolidated Financial Statements

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

(€m)	1st half	1st half	2nd quarter	2nd quarter	Full year
	2021	2020 ⁽¹⁾	2021	2020 ⁽¹⁾	2020
Revenue	1,128.7	883.5	618.9	389.6	2,081.7
Other income from operations	13.0	15.5	6.1	6.9	38.8
Purchases consumed and changes in inventory	(405.1)	(325.6)	(227.6)	(126.7)	(785.7)
Staff costs	(257.8)	(211.3)	(148.8)	(101.8)	(495.5)
External expenses	(215.3)	(187.3)	(116.4)	(85.3)	(423.7)
Taxes other than income taxes	(51.0)	(44.4)	(25.1)	(17.8)	(98.8)
Net depreciation and amortisation expense on property, plant and equipment and intangible assets	(173.2)	(106.3)	(89.2)	(50.0)	(260.5)
Net amortisation expense on right of use of leased assets	(10.6)	(9.5)	(5.3)	(4.7)	(20.6)
Charges to provisions and other impairment losses, net of reversals due to utilization	11.2	6.3	2.5	(1.0)	(17.0)
Other current operating income	217.5	94.2	145.1	38.0	299.9
Other current operating expenses	(88.3)	(47.3)	(47.9)	(21.4)	(128.5)
Current operating profit/(loss)	169.1	67.8	112.3	25.8	190.1
Non-current operating income	-	-	-	-	-
Non-current operating expenses	(2.4)	-	(2.4)	-	(75.0)
Operating profit/(loss)	166.7	67.8	109.9	25.8	115.1
Financial income	1.0	0.1	0.5	(0.1)	2.3
Financial expenses	(1.5)	(1.5)	(0.9)	(0.3)	(3.4)
Income from net surplus cash/(cost of net debt)	(0.5)	(1.4)	(0.4)	(0.4)	(1.1)
Interest expense on lease obligations	(1.5)	(1.7)	(0.7)	(0.8)	(3.4)
Other financial income	0.7	1.3	0.3	0.8	2.3
Other financial expenses	(7.2)	(5.1)	(3.2)	(2.8)	(10.4)
Income tax expense	(37.6)	(21.8)	(25.7)	(8.2)	(37.3)
Share of profits/(losses) of joint ventures and associates	(13.4)	(1.4)	(6.9)	(0.6)	(11.3)
Net profit/(loss)	107.2	37.7	73.3	13.8	53.9
Net profit/(loss) attributable to the Group	108.4	38.4	74.1	14.4	55.3
Net profit/(loss) from continuing operations	108.4	38.4	74.1	14.4	55.3
Net profit/(loss) from discontinued or held-for-sale operations	-	-	-	-	-
Net profit/(loss) attributable to non-controlling interests	(1.2)	(0.7)	(0.8)	(0.6)	(1.4)
Net profit/(loss) from continuing operations	(1.2)	(0.7)	(0.8)	(0.6)	(1.4)
Net profit/(loss) from discontinued or held-for-sale operations	-	-	-	-	-
Weighted average number of shares outstanding (in '000)	210,392	210,268	210,392	210,294	210,332
Basic earnings per share from continuing operations (€)	0.52	0.18	0.35	0.07	0.26
Diluted earnings per share from continuing operations (€)	0.51	0.18	0.35	0.07	0.26

⁽¹⁾ As explained in the third quarter of 2020, the presentation of the financial statements in respect of 2020 has been changed in order to provide more relevant information at Group level.

Statement of recognised income and expense

(€m)	1st half 2021	1st half 2020	Full year 2020
Net profit/(loss) for the period	107.2	37.7	53.9
Items not reclassifiable to profit or loss			
Actuarial gains/(losses) on post-employment benefits		2.0	(4.5)
Fair value remeasurement of investments in equity instruments	5.1	(9.1)	(9.1)
Taxes on items not reclassifiable to profit or loss		(1.6)	0.1
Share of non-reclassifiable income and expense of joint ventures and associates	0.4	(0.6)	(0.6)
Items reclassifiable to profit or loss			
Remeasurement of hedging assets	0.5	(0.1)	(0.8)
Translation adjustments	1.9	0.2	(1.8)
Taxes on items reclassifiable to profit or loss	(0.1)	0.1	0.2
Share of reclassifiable income and expense of joint ventures and associates			
Income and expense recognised directly in equity	7.8	(9.1)	(16.5)
Total recognised income & expense	115.0	28.6	37.4
<i>Recognised income & expense attributable to the Group</i>	116.2	29.3	38.9
<i>Recognised income & expense attributable to non-controlling interests</i>	(1.2)	(0.7)	(1.5)

Consolidated cash flow statement

(€m)	Note	1st half 2021	1st half 2020 ⁽¹⁾	Full year 2020
Net profit/(loss) from continuing operations		107.2	37.7	53.9
Net charges to/(reversals of) depreciation, amortisation, impairment of property, plant and equipment and intangible assets, and non-current provisions		179.3	108.6	334.9
Amortisation, impairment and other adjustments on right of use of leased assets		10.5	9.8	20.8
Other non-cash income and expenses		(26.6)	(7.9)	(37.0)
Gains and losses on asset disposals		(7.6)	0.7	5.1
Share of profits/losses reverting to joint ventures and associates, net of dividends received		14.9	1.4	11.3
Dividends from non-consolidated companies		-	-	(0.1)
Income taxes paid		(15.8)	(33.4)	(53.3)
Income taxes, including uncertain tax positions		37.6	21.8	37.3
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid		299.5	138.7	372.9
Reclassification of cost of net debt/income from net surplus cash and interest expense on lease obligations		2.0	3.1	4.5
Changes in working capital requirements related to operating activities (including current impairment and provisions)		(62.9)	104.8	103.0
Net cash generated by/(used in) operating activities		238.6	246.6	480.4
Purchase price of property, plant & equipment and intangible assets		(121.5)	(107.3)	(283.1)
Proceeds from disposals of property, plant & equipment and intangible assets		0.2	-	(0.4)
Net liabilities related to property, plant & equipment and intangible assets		0.6	(8.0)	(1.1)
Purchase price of non-consolidated companies and other investments		(0.2)	-	(0.8)
Proceeds from disposals of non-consolidated companies and other investments		5.1	0.5	0.5
Net liabilities related to non-consolidated companies and other investments		-	-	-
Purchase price of investments in consolidated activities		(22.4)	(3.0)	(1.4)
Proceeds from disposals of consolidated activities		28.0	1.0	1.0
Net liabilities related to consolidated activities		-	-	-
Other changes in scope of consolidation (cash of acquired or divested entities)		1.2	2.4	2.4
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies		24.8	(10.3)	(36.3)
Net cash generated by/(used in) investing activities		(84.2)	(124.7)	(319.2)
Capital increases/(reductions) paid by shareholders and non-controlling interests		(3.4)	(4.7)	(7.0)
Dividends paid to shareholders of the parent company		(94.7)	-	-
Dividends paid by consolidated companies to non-controlling interests		-	-	-
Change in current and non-current debt	7	12.6	39.6	(57.2)
Repayments of lease obligations	7	(10.7)	(9.6)	(20.5)
Income from net surplus cash/cost of net debt and interest expense on lease obligations		(1.8)	(2.8)	(3.8)
Other cash flows related to financing activities		-	-	-
Net cash generated by/(used in) financing activities		(98.0)	22.5	(88.5)
EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS		0.2	(0.3)	(0.7)
CHANGE IN NET CASH POSITION		56.6	144.1	72.0
Net cash position at start of period		174.6	102.6	102.6
Net cash flows		56.6	144.1	72.0
Net cash position at end of period	7	231.2	246.7	174.6

⁽²⁾ As explained in the third quarter of 2020, the presentation of the financial statements in respect of 2020 has been changed in order to provide more relevant information at Group level.

Consolidated balance sheet

ASSETS (€m)	Note	30/06/2021	31/12/2020	30/06/2020 ⁽¹⁾
Goodwill	5	794.3	786.3	845.2
Intangible assets		310.0	339.5	318.5
Property, plant and equipment		218.3	218.2	210.0
Right of use of leased assets		75.2	86.3	86.2
Investments in joint ventures and associates	6	13.8	11.0	11.7
Other non-current financial assets		20.0	52.9	35.9
Deferred tax assets		-	-	-
Total non-current assets		1,431.6	1,494.2	1,507.5
Inventories		487.5	485.3	561.7
Advances and down-payments made on orders		121.2	141.1	158.6
Trade receivables		793.6	725.0	599.6
Customer contract assets		-	-	-
Current tax assets		-	8.5	14.1
Other current receivables		466.6	330.4	355.7
Financial instruments - Hedging of debt		0.1	-	-
Other current financial assets		0.1	-	0.2
Cash and cash equivalents	7	239.5	178.6	248.8
Total current assets		2,108.6	1,868.9	1,938.7
Held-for-sale assets and operations		-	-	-
TOTAL ASSETS		3,540.2	3,363.1	3,446.2
Net surplus cash/(net debt)	7	34.3	(0.7)	(22.1)

⁽¹⁾ As explained in the third quarter of 2020, the presentation of the financial statements in respect of 2020 has been changed in order to provide more relevant information at Group level.

Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES (€m)	Note	30/06/2021	31/12/2020	30/06/2020 ⁽¹⁾
Share capital		42.1	42.1	42.1
Share premium and reserves		1,474.6	1,499.5	1,507.5
Translation reserve		1.4	(0.3)	1.5
Treasury shares		-	-	-
Net profit/(loss) attributable to the Group		108.4	55.3	38.4
Shareholders' equity attributable to the Group		1,626.5	1,596.6	1,589.5
Non-controlling interests		(4.2)	(0.8)	1.6
Total shareholders' equity		1,622.3	1,595.8	1,591.1
Non-current debt	7	138.5	140.4	233.2
Non-current lease obligations	7	59.7	71.3	72.1
Non-current provisions		60.5	55.1	51.0
Deferred tax liabilities		19.2	34.9	46.2
Total non-current liabilities		277.9	301.7	402.5
Current debt	7	58.4	34.9	35.6
Current lease obligations	7	21.4	21.1	20.1
Trade payables		657.4	664.4	585.0
Customer contract liabilities		38.0	29.4	1.7
Current provisions		15.8	21.2	15.4
Other current liabilities		822.2	690.1	792.7
Overdrafts and short-term bank borrowings	7	8.3	4.0	2.1
Current tax liabilities		18.4	-	(0.0)
Other current financial liabilities		0.1	0.5	
Total current liabilities		1,640.0	1,465.6	1,452.6
Liabilities related to held-for-sale operations		-	-	-
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		3,540.2	3,363.1	3,446.2

⁽³⁾ As explained in the third quarter of 2020, the presentation of the financial statements in respect of 2020 has been changed in order to provide more relevant information at Group level.

Consolidated statement of changes in shareholders' equity

Note	Share capital & share premium	Reserves related to share capital & retained earnings	Consolidated reserves & profit/(loss) for period	Treasury shares held	Items recognised directly in equity	TOTAL - GROUP	Non-controlling interests	TOTAL
POSITION AT 31/12/2019	62.2	1,326.7	228.0	-	(54.5)	1,562.4	1.7	1,564.1
Net profit/(loss) for the period	-	-	38.4	-	-	38.4	(0.7)	37.7
Income and expense recognised directly in equity	-	-	-	-	(9.1)	(9.1)	-	(9.1)
Total comprehensive income	-	-	38.4	-	(9.1)	29.3	(0.7)	28.6
Share capital and reserves transactions, net	0.1	18.3	(18.3)	-	-	0.1	-	0.1
Acquisitions & disposals of treasury shares	-	-	-	-	-	-	-	-
Acquisitions & disposals without loss of control	-	-	(1.4)	-	-	(1.4)	-	(1.4)
Dividends distributed	-	-	-	-	-	-	-	-
Share-based payment	-	-	0.5	-	-	0.5	-	0.5
Other transactions (changes in scope of consolidation, other transactions with shareholders, & other items)	-	-	(1.4)	-	-	(1.4)	0.6	(0.8)
POSITION AT 30 JUNE 2020	62.3	1,345.0	245.8	-	(63.6)	1,589.5	1.6	1,591.1
Movements from April to December 2020								
Net profit/(loss) for the period	-	-	16.9	-	-	16.9	(0.7)	16.2
Income and expense recognised directly in equity	-	-	-	-	(7.3)	(7.3)	(0.1)	(7.4)
Total comprehensive income	-	-	16.9	-	(7.3)	9.6	(0.8)	8.8
Share capital and reserves transactions, net	-	-	-	-	-	-	-	-
Acquisitions & disposals of treasury shares	-	-	-	-	-	-	-	-
Acquisitions & disposals without loss of control	-	-	(4.7)	-	-	(4.7)	-	(4.7)
Dividends distributed	-	-	-	-	-	-	-	-
Share-based payment	-	-	1.0	-	-	1.0	-	1.0
Other transactions (changes in scope of consolidation, other transactions with shareholders, & other items)	-	-	1.2	-	-	1.2	(1.6)	(0.4)
POSITION AT 31/12/2020	62.3	1,345.0	260.2	-	(70.9)	1,596.6	(0.8)	1,595.8
Net profit/(loss) for the period	-	-	108.4	-	-	108.4	(1.2)	107.2
Income and expense recognised directly in equity	-	-	-	-	7.8	7.8	-	7.8
Total comprehensive income	-	-	108.4	-	7.8	116.2	(1.2)	115.0
Share capital and reserves transactions, net	-	-	-	-	-	-	-	-
Acquisitions & disposals of treasury shares	-	-	-	-	-	-	-	-
Acquisitions & disposals without loss of control	-	-	11.4	-	-	11.4	(3.7)	7.7
Dividends distributed	-	-	(94.7)	-	-	(94.7)	-	(94.7)
Share-based payment	-	-	-	-	-	-	-	-
Other transactions (changes in scope of consolidation, other transactions with shareholders, & other items)	-	-	(3.0)	-	-	(3.0)	1.5	(1.2)
POSITION AT 30 JUNE 2021	62.3	1,345.0	282.3	-	(63.1)	1,626.5	(4.2)	1,622.3

(4) As explained in the third quarter of 2020, the presentation of the financial statements in respect of 2020 has been changed in order to provide more relevant information at Group level.

Notes to the consolidated financial statements

1 Significant events

1-1. Reorganisation of the TF1 group

In light of (i) the strategy implemented from autumn 2020 of developing synergies between the TF1 group's broadcasting and digital activities (Unify), (ii) the organisational changes announced on 23 June 2021 and (iii) the divestment of TF1 Games, the Group has changed the composition of its operating segments with effect from the first half of 2021.

The Group's digital operations (Unify) are now included with our broadcasting activities in a new operating segment, "Media", alongside our music and entertainment activities. This allows for a better understanding of our content production and distribution operations, via a separate segment ("Newen Studios").

To facilitate the interpretation of the Group's results for the six months ended 30 June 2021, proforma figures for the six months ended 30 June 2020 using the new presentation are provided in Note 3, "Operating segments" and Note 4, "Analysis of revenue".

1-2. Proposed merger of the operations of TF1 and M6

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

Bouygues and RTL Group support the transaction, on completion of which they would hold 30% and 16% of the new entity respectively, following the acquisition by Bouygues of an 11% stake from RTL Group for €641 million. Bouygues would be the controlling shareholder, and would act in concert with RTL Group in a strategic partnership. The proposal has been approved unanimously by the Boards of Directors of TF1, Bouygues and RTL Group, and by the Supervisory Board of M6.

On 8 July 2021, the Bouygues group and RTL Group (of the one part) and TF1 and M6 (of the other part) announced the signature of agreements between the parties relating to the merger of the TF1 and M6 groups, following unanimous approval of the proposal by the employee representative bodies of Bouygues, TF1 and M6 on 24 June 2021. Closing of the transaction, which is expected to occur by the end of 2022, remains subject to the customary conditions precedent,

in particular regulatory approvals from the French competition authority (ADLC) and French broadcasting industry regulator (CSA) and the holding of general meetings of TF1 and M6 shareholders.

The TF1 group has decided to recognise external expenses incurred in connection with this transaction within "Non-current operating expenses". The amount of external expenses incurred in connection with the transaction in the six months ended 30 June 2021 was €2.4 million.

1-3. Acquisition of the iZen group

On 27 April 2021, the Newen group finalised the acquisition of a 65% equity interest in the iZen group, a Spanish audiovisual producer, for a provisional purchase consideration of €19.8 million. The vendors and the Newen group entered into a shareholder agreement which specifies the terms for (i) the payment of contingent consideration and (ii) the exercise

of the reciprocal undertakings whereby the vendors have an option to sell, and the Newen group has an option to acquire, additional equity interests of 15% in 2025 and 10% in 2028.

The iZen group is fully consolidated in the TF1 group consolidated financial statements with effect from 1 June 2021. Provisional goodwill of €15.1 million was recognised as of the date control was obtained, pending the final purchase price allocation. Valuation of the contingent consideration and the reciprocal undertakings is currently being finalised.

1-4. Divestment of the Games business

On 15 April 2021, the TF1 group divested its Games business with the sale of Dujardin to Jumbodiset. As a consequence, the activities of Dujardin were deconsolidated with effect from the start of the second quarter of 2021.

1-5. Tax credit for television broadcasters

During the second quarter of 2021, the French government issued decree No. 2021-764, introducing a tax credit for TV broadcasters who are liable for corporate income tax in France and whose individual company revenues had fallen by at least 10% relative to 2019 in the period from 1 March 2020 to 31 December 2020. The tax credit amounts to 15% on certain investments in production and associated expenses incurred during the reference period.

In accordance with IAS 20, the TF1 group has recognised this tax credit in profit or loss for an amount equal to the investment and associated expenses in question.

The amount recognised for the tax credit in the first half of 2021 was €21.0 million, recorded within "Other operating income".

2 Accounting principles and policies

2-1. Declaration of compliance and basis of preparation

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

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

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

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

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

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

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

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

The impact of the amendments on the Group is immaterial.

- IFRS IC Agenda Decision on IAS 19

In May 2021, the IASB approved the IFRS IC Agenda Decision of December 2020 on the method for calculating the period of service used when measuring the provision for lump-sum retirement benefits. The most common approach currently applied in France (including by the TF1 group) is to attribute the benefit on a straight line basis over the entire period from the date an employee joins the retirement benefit scheme to the date of retirement. However, the IFRS IC takes the view

that the benefit should be attributed only over the specified number of pre-retirement years of service at which the benefit entitlement is capped.

The impact of that Agenda Decision is currently being assessed, in particular through an analysis of the relevant retirement benefit schemes and collective agreements. As of 30 June 2021, the TF1 group continues to attribute such benefits from the date on which the employee joins the scheme.

2-3. Changes in accounting policy

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

2-4. Use of estimates

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

The principal accounting policies requiring the use of estimates are:

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

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

2-5. Seasonal trends

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

3 Operating segments

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of the products and services sold, and the clientele to which they are sold. This segmentation serves as the basis for the presentation of internal management data, and is also used by the Group's operating decision-maker to monitor performance. The operating segments reported by the Group are those reviewed by the chief operating decision-maker.

Management assesses segmental performance on the basis of current operating profit. Segmental results, assets and liabilities include items directly or indirectly attributable to the relevant segment. Segmental capital expenditure represents total acquisitions of property, plant and equipment and intangible assets as recognised in the corresponding balance sheet line items. Inter-segment sales and transfers are conducted on an arm's length basis.

As a result of the recent changes described in Note 1, "Significant events", the TF1 group now has the following operating segments:

Media

The Media segment includes all of the Group's TV channels; online content distribution and special-interest web communities; content creation and audience-buying via special-interest online content and brand development; developing and showcasing talent via multi-channel networks (MCNs); and subsidiaries that produce and acquire audiovisual rights for the Group's TV channels in line with French broadcasting industry regulations.

Revenues from such activities derive mainly from the sale of advertising space through individually-negotiated space-buying deals and programmatic ad sale auctions; they also include revenue from content and services made available by the Group's TV channels to cable, satellite and ADSL operators, and from interactivity embedded within broadcast programmes.

The Media segment also includes:

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

Newen Studios

This segment comprises content subsidiaries whose activities are primarily focused on producing, acquiring, developing and distributing audiovisual rights (films, drama, TV movies, cartoons, documentaries, unscripted shows, etc) for exploitation independently of the Group's broadcasting operations.

Revenues are derived from fees for the sale of broadcasting rights and all other exploitation rights in France or internationally.

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(<i>€m</i>)	MEDIA (1) & (2)	BROADCASTING		NEWEN STUDIOS	STUDIOS & ENTERTAINMENT (2) (3)		DIGITAL (1)	TOTAL TF1 GROUP	
		H1 2021	H1 2020 proforma		H1 2020 reported	H1 2021		H1 2020 proforma	H1 2020 reported
SEGMENTAL INCOME STATEMENT									
Segment revenue	991.1	799.0	697.2	165.5	99.3	132.6	68.5	1,156.6	898.3
Elimination of inter-segment transactions	(7.7)	(14.0)	(13.9)	(20.2)	(0.9)	(0.8)	(0.1)	(27.9)	(14.8)
GROUP REVENUE CONTRIBUTION	983.4	785.0	683.3	145.3	98.4	131.8	68.4	1,128.7	883.5
<i>of which Advertising revenue</i>	802.4	615.0	586.1	0.1	0.0	0.0	29.0	802.5	615.0
<i>of which Other revenue</i>	181.0	170.0	97.2	145.2	98.4	131.8	39.4	326.2	268.5
CURRENT OPERATING PROFIT/(LOSS)	147.4	70.8	75.9	21.7	(3.0)	0	(8.1)	169.1	67.8
<i>% operating margin on Group contribution</i>	15.0%	9.0%	11.1%	14.9%	-3.1%	0.0%	-11.8%	15.0%	8%
<i>Interest expense on lease obligations</i>	(1.5)	(1.0)	(0.8)	-	(0.7)	(0.7)	(0.2)	(1.5)	(1.7)
CURRENT OPERATING PROFIT/(LOSS) after leases	145.9	69.8	75.1	21.7	(3.7)	(0.7)	(8.3)	167.6	66.1
Share of net profit/(losses) of joint ventures and associates	(12.8)	(1.6)	(1.6)	(0.5)	0.2	0.2	-	(13.3)	(1.4)

(1) Digital division incorporated in the Media segment (previously Broadcasting) on proforma basis for H1 2020.

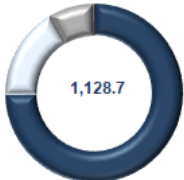
(2) Music/Entertainment division reclassified to the Media segment (previously Broadcasting) on proforma basis for H1 2020.

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

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

4 Analysis of revenue

TF1 group consolidated revenue for the first half of 2021 breaks down as follows:

H1 2021		(<i>€m</i>)	H1 2021	H1 2020 proforma	H1 2020 reported	Chg €m	Chg %
	71.1%	Advertising revenue	802.4	615.0	586.1	187.4	30%
		<i>of which Digital advertising revenue (5)</i>	63.1	52.7	23.4	10.4	20%
	16.0%	Other revenue	181.0	170.0	97.2	11.0	6%
		Media	983.4	785.0	683.3	198.4	25%
	7.7%	Newen - France	86.6	57.6	-	29.0	50%
		Newen - Other countries	56.5	36.7	-	19.8	54%
		Production/sale of audiovisual rights	-	-	107.8	-	-
	0.2%	Revenue from games, music, live shows & distance selling (1) (2)	2.2	4.1	24.0	(1.9)	-46%
		Newen Studios (4)	145.3	98.4	131.8	46.9	48%
		Web publishing (digital content & social e-commerce)	-	-	53.5	-	-
		Business solution marketing	-	-	14.9	-	-
		Digital (3)	-	-	68.4	-	-
		Total revenue	1,128.7	883.5	883.5	245.2	28%

(1) Music/Entertainment division reclassified to the Media segment on proforma basis for H1 2020.

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

(3) Digital division revenue incorporated within the Media segment, split between “Advertising revenue” and “Other revenue” on proforma basis for H1 2020.

(4) Newen Studios revenue split between France and other countries on proforma basis for H1 2020.

(5) Digital advertising revenue, combining advertising revenue from (i) MyTF1/LCI and (ii) the former Digital division.

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5 Goodwill

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

(€m)	Broadcasting	Studios & Entertainment	Digital	TOTAL
Goodwill at 1 January 2020	407.7	192.3	245.2	845.2
Acquisitions	-	0.8	-	0.8
Disposals	-	-	-	-
Translation adjustments	-	(0.7)	-	(0.7)
Other adjustments	-	(0.1)	-	(0.1)
Reclassifications	-	-	-	-
Impairment	-	-	-	-
Goodwill at 30 June 2020	407.7	192.3	245.2	845.2

(€m)	Media	Newen Studios	Digital	TOTAL
Goodwill at 1 January 2021	408.4	190.6	187.3	786.3
Acquisitions	-	15.1 ⁽²⁾	(0.0)	15.1
Disposals	(7.9) ⁽¹⁾	-	-	(7.9)
Translation adjustments	-	0.8	-	0.8
Other adjustments	-	-	-	-
Reclassifications	187.3 ⁽³⁾	-	(187.3)	-
Impairment	-	-	-	-
Goodwill at 30 June 2021	587.8	206.5	(0.0)	794.3

⁽¹⁾ In the first quarter of 2021, the TF1 group divested Alfemminile (a subsidiary based in Italy) and the Onmeda business (previously owned by the German subsidiary Gofeminin.de). Both divestments were deemed to fall within the scope of IFRS 3, and resulted in the derecognition of goodwill.

⁽²⁾ Provisional goodwill of €15.1 million generated by the acquisition of 65% of the iZen group (Spain), as described below.

⁽³⁾ As explained in Note 1, "Significant events", the former Digital segment has been incorporated within the Media segment.

The decrease in goodwill between 30 June 2020 and 1 January 2021 corresponds to the write-down of €57.9 million recognised as of 31 December 2020 (see Note 1, "Significant events of 2020" and Note 7.4.1, "Goodwill" to the consolidated financial statements for the year ended 31 December 2020).

As of 30 June 2021, no new indications of potential impairment had been identified for the Media or Newen Studios segments. Prior to its incorporation within the Media segment (as described in Note 1, "Significant Events"), the Digital division was subject to impairment testing, which did not identify any impairment as of 30 June 2021.

The movement in goodwill for Newen Studios is due to the acquisition of the iZen group (Spain) as described in Note 1, "Significant events". Provisional goodwill on that acquisition was determined as follows:

	iZen
Purchase price (1)	19.8
Net assets acquired excluding goodwill (2):	-7.2
Non-current assets	4.5
Current assets	16.2
Non-current liabilities	1.8
Current liabilities	11.7
Purchase price allocation (3):	
Fair value remeasurement of intangible assets	
Fair value remeasurement of property, plant and equipment	
Fair value remeasurement of liabilities (deferred tax and other)	
Unacquired portion	2.5
Provisional goodwill (1) + (2) + (3)	15.1

6 Investments in joint ventures and associates

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

(€m)	Série Club	Salto ⁽¹⁾	Other ⁽²⁾	TOTAL
1 January 2020	9.9	0.4	2.0	12.3
Share of profit/(loss) for the period	0.4	-	(1.8)	(1.4)
Provision for impairment	-	-	-	-
Dividends paid	-	-	-	-
Changes in scope of consolidation and reclassifications	-	-	-	-
Other	-	-	0.8	0.8
30 June 2020	10.3	0.4	1.0	11.7
1 January 2021	10.6	-	0.4	11.0
Share of profit/(loss) for the period	0.6	(13.3)	(0.5)	(13.2)
Provision for impairment	-	-	-	-
Dividends paid	(1.7)	-	-	(1.7)
Changes in scope of consolidation and reclassifications	-	-	4.4	4.4
Other	-	13.3	-	13.3
30 June 2021	9.5	-	4.3	13.8

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

⁽²⁾ In 2021, the €4.4 million increase recorded on the "Changes in scope of consolidation and reclassifications" line mainly comprises (i) buyouts of non-controlling interests within the Newen Studios segment and (ii) the retained 20% equity interest in Alfemminile.

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

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

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

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

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

(€m)	31/12/2020	Translation adjustments	Changes in scope of consolidation	Cash flows (1)	Changes in fair value via equity or profit/loss	Other movements	30/06/2021
Cash and cash equivalents	178.6	-	-	60.9	-	-	239.5
Financial assets used for treasury management purposes	-	-	-	-	-	-	-
Overdrafts and short-term bank borrowings	(4.0)	-	-	(4.3)	-	-	(8.3)
Available cash	174.6	-	-	56.6	-	-	231.2
Interest rate derivatives - assets	-	-	-	-	-	-	-
Interest rate derivatives - liabilities	-	-	-	-	-	-	-
Fair value of interest rate derivatives	-	-	-	-	-	-	-
Non-current borrowings	(140.4)	(1.1)	(10.5)	4.1	(4.0)	13.4	(138.5)
Current debt excluding overdrafts and short-term bank borrowings	(34.9)	(1.0)	-	(16.7)	-	(5.8)	(58.4)
Total debt	(175.3)	(2.1)	(10.5)	(12.6)	(4.0)	7.6	(196.9)
Net surplus cash/(net debt)	(0.7)	(2.1)	(10.5)	44.0	(4.0)	7.6	34.3
Lease obligations	(92.4)	-	-	(10.7)	-	22.0	(81.1)
Net surplus cash/(net debt) including lease obligations	(93.1)	(2.1)	(10.5)	33.3	(4.0)	29.6	(46.8)

⁽¹⁾ The net cash inflow of €12.6 million shown within "Net cash generated by/(used in) financing activities" in the 2021 cash flow statement comprises a cash inflow of €44.3 million and a cash outflow of €31.7 million.

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As of 30 June 2021, TF1 had confirmed bilateral bank credit facilities of €1,100 million, including €180 million for Newen. The TF1 group's undrawn confirmed facilities are backed up by a cash pooling agreement with the Bouygues Group. As of 30 June 2021, drawdowns under those facilities amounted to €81 million, all of which related to the Newen facility.

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

(€m)	30/06/2021	31/12/2020
Cash and cash equivalents in the balance sheet	239.5	178.6
Cash of held-for-sale operations	-	-
Treasury current account credit balances	-	-
Short-term bank borrowings	(8.3)	(4.0)
Total cash position at period-end per the cash flow statement	231.2	174.6

The table below reconciles the net cash position presented in the cash flow statement, and the "Cash and cash equivalents" line item in the balance sheet:

(€m)	31/03/2021	31/12/2020
Cash and cash equivalents in the balance sheet	245.3	178.6
Cash of held-for-sale operations	-	-
Treasury current account credit balances	-	-
Short-term bank borrowings	(1.0)	(4.0)
Net cash position at end of period per the cash flow statement	244.3	174.6

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

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

9 Dividends paid

The table below shows the dividend per share paid by the TF1 Group on 3 May 2021 in respect of the 2020 financial year.

As regards dividends in respect of the 2019 financial year, the Annual General Meeting of 17 April 2020 decided not to distribute a dividend, in line with a proposal from the Board of Directors intended to show solidarity and share the sacrifices expected of all the Group's partners and staff.

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

10 Events after the reporting period

There are no events after the reporting period to report.

3. Statutory Auditors' report

Statutory Auditors' Review Report on the Half-yearly Financial Information for the period from January 1 to June 30, 2021

MAZARS

Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie
S.A. à directoire et conseil de surveillance
au capital de € 8.320.000
784 824 153 RCS Nanterre

Commissaire aux Comptes
Membre de la compagnie
Régionale de Versailles et du Centre

ERNST & YOUNG Audit

Tour First
TDA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
344 366 315 RCS Nanterre

Commissaire aux Comptes
Membre de la compagnie
Régionale de Versailles et du Centre

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with the requirements of article L. 451-1-2-III of the French monetary and financial code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Télévision Française 1, TF1, for the period from January 1 to June 30, 2021,
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the reviews. These condensed half-yearly consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards

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applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Courbevoie and Paris-La Défense, 27 July 2021,

The Statutory Auditors
French original signed by

MAZARS

ERNST & YOUNG Audit

Gilles Rainaut

Nicolas Pfeuty

4. Statement of person responsible

I certify that to the best of my knowledge the condensed consolidated first-half financial statements for the past half-year have been prepared in accordance with the relevant accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and of affiliated undertakings and that the attached first-half review of operations provides an accurate representation of significant events in the first six months of the year and of their impact on the first-half financial statements, of the main related-party transactions and of the main risks and uncertainties for the remaining six months.

Boulogne-Billancourt, 27 July 2021

Chairman and CEO

Gilles C. Pélisson

Télévision Française 1

Société anonyme with capital of € 42,097,127 - Registered No. 326 300 159 R.C.S. Nanterre

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