

A photograph of the Mediaset tower at night, illuminated with warm orange and red lights. The tower has several circular levels with railings and satellite dishes. The word "MEDIASET" is written in white on a glowing orange band around the top of the tower.

**MEDIASET**

**Interim  
Financial Report  
as at 30 September 2021**

**MEDIASET N.V.**

Registered office: Amsterdam, Netherlands

Headquarters and Tax Residence: Viale Europa 46, 20093 Cologno Monzese, Milan, Italy

Share Capital: EUR 614,238,333.28

Registered with the Dutch Chamber of Commerce (CCI number): 83956859

Italian Tax Code and VAT Number: IT 09032310154

Website: [corporate.mediaset.it](http://corporate.mediaset.it)

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# CORPORATE BOARDS

<b>Board of Directors</b>	<b>Chairman</b> Fedele Confalonieri <b>Chief Executive Officer</b> Pier Silvio Berlusconi <b>Directors</b> Marina Berlusconi Stefania Bariatti Marina Brogi Raffaele Cappiello Costanza Esclapon de Villeneuve Giulio Gallazzi Marco Giordani Gina Nieri Danilo Pellegrino Alessandra Piccinino Niccolo' Querci Stefano Sala Carlo Secchi
<b>Executive Committee</b>	Pier Silvio Berlusconi Marco Giordani Gina Nieri Niccolo' Querci Stefano Sala
<b>Audit Committee</b>	<b>Alessandra Piccinino (Chair)</b> Raffaele Cappiello Carlo Secchi
<b>Nomination and Remuneration Committee</b>	<b>Stefania Bariatti (Chair)</b> Marina Brogi Carlo Secchi
<b>Environmental Social and Governance Committee</b>	<b>Marina Brogi (Chair)</b> Stefania Bariatti Giulio Gallazzi
<b>Related Parties Transactions Committee</b>	<b>Costanza Esclapon de Villeneuve (Chair)</b> Marina Brogi Alessandra Piccinino
<b>Independent Auditors</b>	<b>Deloitte Accountants B.V.</b>

# MEDIASET GROUP: FINANCIAL HIGHLIGHTS

## MAIN INCOME STATEMENT DATA

FY 2020			9M 2021		9M 2020	
mio €	%		mio €	%	mio €	%
<b>2,636.8</b>		<b>Total Net Consolidated Revenues</b>	<b>1,992.7</b>		<b>1,722.8</b>	
1,800.5	68.3%	Italy	1,388.9	69.7%	1,176.2	68.3%
836.6	31.7%	Spain	603.8	30.3%	546.6	31.7%
<b>269.7</b>		<b>Operating Result (EBIT)</b>	<b>275.0</b>		<b>87.6</b>	
38.5		Italy	135.0		(45.8)	
230.5		Spain	139.6		132.9	
<b>139.3</b>		<b>Net Result (*)</b>	<b>273.8</b>		<b>10.5</b>	

## MAIN BALANCE SHEET AND FINANCIAL DATA

31-Dec-20			30-Sep-21		30-Sep-20	
mio €			mio €		mio €	
<b>4,230.1</b>		<b>Net Invested Capital</b>	<b>4,093.2</b>		<b>4,123.3</b>	
<b>3,165.6</b>		<b>Total Net Shareholders' Equity</b>	<b>3,173.7</b>		<b>2,950.0</b>	
2,668.3		Net Group shareholders' Equity	2,616.0		2,496.0	
497.3		Minorities Shareholders' Equity	557.7		454.0	
<b>(1,064.4)</b>		<b>Net Financial Position</b>	<b>(919.5)</b>		<b>(1,173.3)</b>	
<b>311.8</b>		<b>Free Cash Flow</b>	<b>423.6</b>		<b>236.0</b>	
<b>450.9</b>		<b>Investments</b>	<b>306.8</b>		<b>406.5</b>	
-		Dividends paid by the Parent Company	340.6		-	
-		Dividends paid by Subsidiaries	1.5		-	

## PERSONNEL (\*\*)

31-Dec-20			30-Sep-21		30-Sep-20	
	%			%		%
<b>4,906</b>		<b>Mediaset Group Personnel (headcount)</b>	<b>4,929</b>		<b>5,004</b>	
3,351	68.3%	Italy	3,370	68.4%	3,445	76.7%
1,555	31.7%	Spain	1,559	31.6%	1,559	23.3%

(\*) Includes temporary and permanent workforce

## Introduction

This Interim Financial Report, which has been drawn up on a voluntary basis to provide continuous and regular information on the Group's quarterly consolidated economic and financial performance, has been prepared in accordance with international accounting standards (IAS/IFRS) and in line with the measurement and estimation criteria applied in preparing the Consolidated Financial Statements at 31 December 2020, to which readers are referred.

The information disclosed in this Report is not comparable to that of complete financial statements prepared in accordance with IAS 1. In line with previous periodical disclosures, this additional interim financial disclosure has the structure and content deemed most appropriate - in terms of factors that contribute to investor decisions - to describe the economic performance and financial position of the Group as a whole and of its main business segments, and to describe the key events and transactions that have occurred during the reporting period.

The presentation of the income statement and balance sheet figures shown below corresponds to the presentation adopted in the Report on Operations accompanying the annual Consolidated Financial Statements. As such, the figures are summarised and reclassified in order to highlight the intermediate aggregates considered most significant for understanding the performance of the Group and the main operating sectors. Summary definitions of the alternative performance measures used in these statements are given at the end of this Interim Financial Report in the section entitled "*Alternative Performance Indicators*".

In accordance with the recommendations and warnings contained in the intermediate disclosures published by ESMA on the evaluations rendered necessary by the economic outlook connected with the COVID-19 pandemic, the observation of the main external indicators and the development of the main performance indicators for the period have not (similarly as with the Interim Financial Report at 30 June 2021) produced evidence that would require a revision - as at the date of this report - of the recoverability testing of corporate assets that was carried out in preparing the Group's Consolidated Financial Statements at 31 December 2020 (largely due to the unforeseeability of these indicators' performance and of the impacts of the operational and mitigating actions already implemented to address the current phase of the crisis).

The earnings and financial figures contained in this Report refer to progressive totals at the end of the first nine months of 2021 and 2020 (earnings are also reported for the third quarter alone); balance sheet figures are stated at 30 September 2021 and at 31 December 2020.

The language of this Interim Financial Report is English. Certain references to legislation and technical terms have been quoted in their original language so that they may be given their correct technical meaning under applicable law.

This Interim Financial Report has not been audited.

## **Significant events and transactions in the third quarter of the year**

### **COVID-19: Main impacts and mitigation actions**

The third quarter was one of greater nationwide normalisation as the containment measures that had been adopted by government authorities were progressively eased in view of the more favourable epidemiological climate generated by the vaccine rollout and its increased uptake. Nevertheless, there remains a climate of maximum vigilance due to the spread of new variants of the virus in major European countries, which in July led the state of emergency in Italy to be extended until 31 December 2021.

On 1 July 2021, the EU Digital COVID Certificate Regulation ("EUDCC") entered into application. Also known as the "Green Pass", this certificate certifies that a person has been vaccinated against COVID-19, or has tested negative on a rapid antigen or molecular test, or has recovered from infection. The EUDCC enables safe travel between EU member states and in Italy it permits safe access to indoor premises, including restaurants and bars. Since 15 October and until 31 December 2021, it is also permitted access to workplaces.

In this context, the Group has continued to monitor the evolution of the health emergency and has updated its rigorous safety and prevention protocols geared towards protecting the health and safety of staff and externals. In addition, the Group has sought to guarantee business continuity and the normal running of production and management activities. While continuing to adopt a high-vigilance approach which requires the wearing of personal protective equipment on company premises, social distancing and weekly swabs, restrictions have gradually been relaxed since the end of June and staff have gradually been invited back to the company premises. Accordingly, under agreements reached with trade unions and workers' representatives in both Italy and Spain, new operational methods were agreed based on a new smart-working model to be rolled out in the autumn.

In the first nine months, the Group's core business continued to generate steady cash flows which, in addition to the income from the ordinary and extraordinary dividends received from investees and net of dividend distributions, led to a reduction in consolidated debt compared to 31 December 2020. In addition to the financial liabilities related to the investment in ProSiebenSat1, Mediaset NV had EUR 1,375.0 million in total committed credit facilities at the reporting date, of which EUR 550 million unutilised and readily available. In addition, EUR 200 million in credit facilities were approved to renew loans that had matured or were due to mature during the current year. EUR 150 million in unused facilities are due to mature in the next 12 months. At the same date, Mediaset España had committed credit facilities of EUR 165.0 million, unused and readily available, which are due to mature in the next 12 months.

### **Transfer of registered office to the Netherlands**

On **1 July 2021**, the minutes of the Extraordinary Shareholders' Meeting of Mediaset S.p.A. held on 23 June 2021 were registered in the Milan Companies Register. At that meeting, the shareholders approved both the transfer of Mediaset's registered office to Amsterdam, the Netherlands, and the adoption of the new company bylaws in accordance with Dutch law.

The statutory period for exercising the right of withdrawal (pursuant to Article 2437 paragraph 1 letter c) of the Italian Civil Code) pertaining to shareholders who had not participated in the approval of the resolution passed by the extraordinary shareholders' meeting of the Company of 23 June 2021, approving the Transfer, ended on **16 July 2021**. The right of withdrawal was validly exercised on a total of 3,881 shares in the Company, for a total settlement value of EUR 7,300.16.

On 20 September, once it was verified that all conditions precedent for the transfer of the Company's registered office to the Netherlands had been met, a Dutch notarial deed was signed and the transfer was completed accordingly. The new Bylaws of the company became effective upon completion of the transfer, when it adopted its new name of Mediaset N.V.

Mediaset NV continues to have its tax residence and headquarters in Italy, and the Company's shares continue to be traded on the Electronic Equity Market (MTA) of the Italian Stock Exchange.

Pursuant to Art. 5:25a para. 3 of the Dutch Financial Supervision Act (Wet op het financieel toezicht), which requires listed companies to publicly announce their "Home Member State" for the purposes of regulating their disclosure obligations under the Transparency Directive, Mediaset N.V. has announced that its "Home Member State" has changed from Italy to the Netherlands.

### **Refarming of the 700 MHz Band**

On **30 July 2021**, the Italian Ministry of Economic Development took on board up-to-date data on the prevalence of television sets capable of meeting the new transmission standards among Italian households and, accordingly, amended the Road Map Decree of 19 June 2019 (which had set out the timetable for implementing the objectives of Decision (EU) 2017/899). In doing so, the Ministry established a transition period (1 January 2020 to 30 June 2022) that would allow the refarming of frequencies by all network operators holding rights to their use at both a national and local level and the restructuring of the regional-information multiplex by public service concessionaires.

In light of these amendments, the timetable regulating the transition of the national television system to the new MPEG4-DVB-T2 transmission standards has been revised as follows:

- From 15 October 2021, national broadcasters will gradually stop using the MPEG2 transmission standard and will begin to transmit exclusively over MPEG4. The MPEG2 switch-off date will be defined in a subsequent order to be passed before the end of 2021. This will take into account the effects of switching off this transport stream as well as the prevalence of new television sets.
- The DVB-T2 standard is due to be rolled out from 1 January 2023.

The previous decree planned for a simultaneous nationwide switch-off of MPEG2 on 1 September 2021, followed by the commencement of DVB-T2 transmissions on 30 June 2022.

The bonuses for purchasing televisions and decoders that meet the new standards were also revised. From 21 August, each family unit will receive a 20% discount upon scrapping an old device, with this

bonus combinable with the EUR 50 bonus already available to low-income families. A total of EUR 250 million has been set aside for this scheme.

#### **Corporate transactions and equity investments**

On **1 July**, the Shareholders' Meeting of the Lega Nazionale Professionisti Serie A ("Lega Serie A") accepted the bid submitted by RTI S.p.A. following its call for bids published on 10 June 2021, thus awarding it the broadcasting rights to matches in the **Coppa Italia** and Italian Super Cup for the 2021/2022, 2022/2023 and 2023/2024 seasons.

On **21 July**, Mediaset paid out an extraordinary dividend of EUR 0.30 for each share in circulation, thus delivering on the resolution of the Shareholders' Meeting of 23 June, for a total pay-out of EUR 340.6 million.

On **22 July 2021**, **Fininvest, Mediaset and Vivendi closed** a universal deal made on 3 May 2021 putting an end to their dispute, in which each of them withdrew all pending actions and complaints.

In particular, Fininvest acquired from Vivendi a direct 5.0% shareholding in Mediaset for a price of EUR 2.70 per share (on account of the ex-dividend date and the payout date on 19 July and 21 July 2021, respectively), while Dailymotion, an investee of Vivendi, paid EUR 26.3 million to settle its copyright litigation proceedings with RTI and Medusa, a Mediaset Group company.

Under wider agreements, Vivendi also committed to Fininvest that the entire 19.19% stake in Mediaset held by Simon Fiduciaria would gradually be sold on the market over a five-year period. Fininvest will have the right to buy any unsold shares in each 12-month period, at the price established annually.

On **27 July 2021**, the Board of Directors approved the Regulations for the Medium/Long-Term Incentive and Loyalty Plan (2021-2023) established by resolution of the Shareholders' Meeting of 23 June 2021.

During the third quarter, Mediaset and Mediaset España repaid - in the form of a cash settlement - three tranches of the financial debt taken out in 2019 for the equity investment in **ProSiebenSat.1 Media SE**, thus directly acquiring the underlying shares. As an integral part of the financial structure of this investment, tranches of financial instruments (collars) hedging those shares were simultaneously agreed with the counterpart to the transaction. The last tranche was paid in October. As a result of these transactions, the Group's integrated shareholding stood at 23.5% in equity (24.2% of voting rights) as at 15 October (the date of the last notice to BaFin - the Financial Supervisory Authority), comprising a direct shareholding of 17.8% and 5.7% through financial instruments.

## Group performance and highlights

### Television audience

In **Italy**, total audience over the 24-hour period averaged 9.950 million viewers in the first nine months of 2021.

Auditel statistics show that, during the period reported, Mediaset networks as a whole, including both free-to-air and pay television channels, obtained an audience share of 31.3% over the 24-hour period, 31.3% in the Day Time slot and 31.9% in Prime Time.

Also during the first three quarters of 2021, Mediaset continued its leadership with the commercial target audience (15-64 years) over the 9-hour period (33.5%), in the Day Time slot (33.5%) and in Prime Time (33.8%). Notably, Canale 5 ranks in top spot and Italia 1 in third spot in all time slots with this viewer target.

During the autumn ratings season (which began on 5 September 2021), Mediaset's networks have achieved a larger share than competitors among the commercial target audience. In particular, the Group's generalist networks achieved a target audience share of 24.8% over the 24-hour period, 25.2% in the Day Time slot and 25.1% in Prime Time.

Adding to the Group's semi-generalist and pay channels, audience share over the 24-hour period came to 34.1% of all viewers, with a 34.1% share in the Day Time slot and 34.1% in Prime Time.

In **Spain**, the Mediaset España Group maintained its leadership in audience figures with a total audience share of 28.5% over the 24-hour period, and a 30.8% share with the commercial target audience. In the Prime Time slot, the Mediaset España Group achieved a 26.7% share of the total audience and 29.6% of the commercial target audience. Also in the first nine months of 2021, Telecinco maintained its audience leadership with a 15.3% share over the 24-hour period, while reaching a share of 15.8% with the commercial target audience.

## Main financial results

The third quarter, which continued to be strongly characterised by the evolving COVID-19 pandemic and by the spread of new variants of the virus, recorded an increased rollout and deployment of vaccination campaigns. With the epidemiological environment gradually normalising, the economic growth forecasts made in the first half of the year for the main geographical areas have been further consolidated. For Italy in particular, GDP is forecast to grow by around 6% this year and to return to pre-pandemic levels in 2022.

Against this backdrop, the advertising market and the Group's revenues continued to trend positively. As expected, however, year-on-year growth during the period was down on that recorded during the first half of the year. This is because in the third quarter of 2020, the economy was already showing signs of recovery following the pandemic-induced slowdown (and the accompanying lockdown) that had hit the economy in March of the same year, with the economy actually recording growth compared to the same period in 2019.

In the third quarter of this year, in fact, the Group's gross advertising revenues grew by +1.5% compared to 2020, thus consolidating the trend of strong recovery that had characterised the first half of the year. In particular, this quarterly figure brought advertising revenues for the nine months to above that recorded not only in the previous year, but also in 2019.

The positive trend in advertising revenues and of other revenues, which was helped also by the EUR 26.3 million collected from the resolution of the copyright dispute with Dailymotion and the continuation of strong and effective action to control and limit operating costs (which again in the third quarter were down by -4.0% on those recorded in 2019), enabled the Group to achieve an extremely positive **third-quarter Consolidated Operating Result (EBIT)** of **EUR 76.3 million** (compared to EUR 55.9 million for the corresponding period in 2020), a positive **Net Result** of **EUR 47.1 million** (compared to EUR 29.4 million in 2020) and **Free Cash Flow** of **EUR 149.0 million** (compared to EUR 23.9 million in the corresponding period in 2020). This despite the fact that third-quarter performance is usually less affected by seasonal fluctuations.

Therefore, the Group's financial results at the end of the first nine months benefitted from the strong third-quarter operating performance, which in turn consolidated on the strong growth figures recorded in the first half of the year in terms of both ordinary operations and financial operations, as well as those of investees, which generated a net income of EUR 30.9 million tied to the ProSiebenSat1 investment (dividends collected and financial income/expenses related to hedge instruments) and a EUR 86.7 million pro-quota capital gain made by EI Towers (in which Mediaset holds a 40% stake) from the sale of TowerTel, a transaction which also led Mediaset to receive EUR 133.9 million in dividends.

The **main financial results** up to the end of the first **nine months** are summarised below.

- **Total consolidated net revenues** amounted to **EUR 1,992.7 million**, up by +15.7% compared to the EUR 1,722.8 million from the previous year, with this trend primarily reflecting a +20.3% rise in aggregate gross advertising revenues from Italian and Spanish operations.
- **Operating Result (EBIT)** was positive at **EUR 275.0 million**, compared to the EUR 87.6 million for the same period in 2020 and the EUR 188.6 million recorded in 2019. Operating profitability stood at **13.8%**, compared to the 5.1% recorded in the same period in 2020 and the 9.3% figure for 2019.

- The **Group net result** was positive at **EUR 273.8 million**, compared to the EUR 10.5 million net profit recorded for the same period in the previous year. This result was higher than the EUR 92.1 million recorded in the first nine months of 2019, and it remains so even if we strip out the capital gain contribution generated by investee EI Towers and the income related to the settlement of the copyright dispute with Dailymotion.
- **Consolidated net financial debt** at 30 September 2021 amounted to EUR **919.5 million**, a reduction on the EUR 1,064.4 million recorded at the start of the period. If we exclude the liabilities recognised under IFRS 16 from 2019 onwards and the residual financial debt on the equity investments in ProSiebenSat.1 Media SE, **Adjusted net financial debt** was **EUR 640.4 million**. **Free cash flow** for the first nine months amounted to **EUR 423.6 million**, showing a sensible growth on the EUR 236.0 million recorded for the same period of 2020. The Group also made disbursements of EUR 103.9 million during the reporting period, in connection with the first-quarter equity increase made by Mediaset España in its investment ProSiebenSat.1 Media SE, the EUR 340.6 million in dividends paid by Mediaset and the EUR 133.9 million in dividends collected by EI Towers.

Breaking down income results by geographical area:

**In Italy:**

- In the first nine months of 2021, **Total consolidated net revenues** from the Group's Italian operations totalled **EUR 1,388.9 million**, signalling growth of 18.1% compared to the 1,176.2 million achieved in the corresponding period of the previous year. The third-quarter contribution was positive, with a 10.5% increase in revenues compared to the corresponding period of the previous year.
- **Gross advertising revenues**, including revenues from free-to-air and pay television channels and revenue shares from websites and radio broadcasters owned by the Group and managed under concession by Mediamond reached **EUR 1,346.2 million**. Not only did this signal strong growth on 2020 (+21.5%), it was also above the figure recorded in 2019 (+1%). Also in the third quarter, advertising revenues continued to trend upwards compared to the corresponding period in the last two years. This is particularly significant given that the two major international sporting events held during the period (the final stages of the European Football Championships and the Tokyo Olympic Games) were broadcast by competitors and given that the 2020 third quarter used for reference was the first quarter of post-lockdown growth and was the period in which Mediaset broadcast the final stages of the UEFA Champions League, which had been postponed from the normal calendar.
- **Other revenues** amounted to **EUR 233.3 million**, compared to EUR 225.4 million for the corresponding period in the previous year, benefitting from the proceeds from settling the copyright dispute with Dailymotion and the increased contribution from television content sub-licensing to third-party operators and advertising sales activities carried out with third-party concessions. Revenues in 2020, on the other hand, included components linked to the pre-lockdown film distribution activities of Medusa and the activities of Media4Commerce, which was sold late in 2020.
- **Total Operating costs** for operations in Italy during the period (personnel expenses, Purchases, services, other costs, TV rights amortisation and depreciation of fixed assets) amounted to **EUR 1,253.9 million**, which was up (2.6%) on the same period in 2020 but markedly down on the same period in 2019 (-8.6%).

- The **Operating Result (EBIT)** from all operations in Italy during the first nine months amounted to **EUR 135.0 million**, compared to EUR -45.8 million for the first nine months of 2020. The third-quarter operating result was positive, at EUR 40.4 million, compared to EUR 11.7 million for the same period in 2020.

In **Spain**:

- **Total consolidated net revenues** for the Mediaset España Group up to the end of the first nine months of 2021 reached **EUR 603.8 million**, showing a 10.5% increase on the same period of the previous year.
- **Gross TV advertising revenues** stood at **EUR 574.5 million** (EUR 488.3 million at 30 September 2020), marking a 17.7% increase on the same period of the previous year. According to *Infoadex* statistics, television advertising investments rose by 15.3% during the first nine months of 2021, while the television and digital media advertising market as a whole increased by 20.1%. Mediaset España maintained its leadership in its TV market with a share of 43.2%, whereas its share of the TV and digital media market stood at 29.9%.
- **Other revenues** stood at **EUR 55.4 million**, compared to EUR 76.5 million for the same period of the previous year, due to the reduction in revenues from film distribution and sublicensing to third-party broadcasters following the inevitable stoppage in production caused by the COVID pandemic.
- **Total costs** (personnel costs, other operating costs, amortisation, depreciation and write-downs), amounted to **EUR 464.2 million**, which was up by 12.2% compared to the corresponding period in the previous year. The increase in costs was due, on the one hand, to the return to normal of scheduling in the second and third quarters of 2021 as compared to the same period in 2020, when scheduling was heavily revised to mitigate the negative economic impacts of the severe restrictions and social distancing measures adopted to comply with the government orders put in place to tackle the COVID-19 emergency and, on the other hand, to the recognition of the costs associated with broadcasting matches from the Euro 2020 Football Championships in June and July.
- As a result of the above performance, **Operating profit (EBIT)** came to **EUR 139.6 million**, compared to EUR 132.9 million in the same period of 2020, corresponding to an operating profitability of **23.1%**, compared to 24.3% in the same period in 2020.

## Events after 30 September 2021

On 1 October, the Board of Directors of Mediaset N.V. unanimously decided to propose that the Shareholders' Meeting:

- change the name of the Company to MFE-MEDIAFOREUROPE N.V.; and
- introduce a dual class share structure incorporating ordinary A class shares and ordinary B class shares.

The Company's name change comes as part of the pre-announced process to incorporate an international holding company that brings together the main European generalist television channels, with operating companies Mediaset Italia S.p.A. and Mediaset España Comunicación S.A. maintaining their previous names.

The introduction of the dual class share structure is a key step for Mediaset as it aims to create a pan-European entertainment and content group. This dual class share structure will provide greater flexibility when it comes to financing any future M&A transactions.

In summary, this proposed dual class share structure provides as follows:

- All Mediaset shareholders as at a given reference date will be entitled to one ordinary A class share for each ordinary B class share held.
- Both classes of share will remain listed on the Electronic Equity Market (MTA) organised and managed by Borsa Italiana S.p.A.
- Each ordinary A class share will have a nominal value of EUR 0.06 and each B class share will have a nominal value of EUR 0.60 (as opposed to the current EUR 0.52).
- Accordingly, each ordinary A class share will entitle the holder to one vote and each ordinary B class share will entitle the holder to ten votes.
- Ordinary A class shares will be issued, and the nominal value of ordinary B class shares will be increased, from the reserves of Mediaset NV.
- Both classes of shares will carry the same property rights (e.g. dividends).
- All Mediaset shareholders will be treated equally in the event of any voluntary or mandatory takeover bid.

The implementation of the dual class share structure is subject to the ordinary A class shares being listed and traded on the Electronic Equity Market, and to obtaining the necessary approvals from the competent authorities.

The Shareholders' Meeting has been convened for 25 November 2021

The change of the Company's name to MFE-MEDIAFOREUROPE N.V., if approved, will take effect on the date of the Shareholders' Meeting, whereas the new dual class share structure, if approved, is anticipated to take effect before 1 January 2022, subject to completing all relevant formalities.

## **Business outlook**

In October, advertising sales in Italy saw a continuing positive trend, producing a particularly important result considering that the last part of the previous year had already seen a marked recovery, with gross advertising revenues up compared with 2019, following the significant contraction in the first part of the year.

Also in the last two months of this year, despite a difficult comparison with the same period of 2020 and a general international context still affected by the evolution of the pandemic, the trend in the group's advertising revenues is expected to continue to reflect the trend in the market which, given the current economic recovery, for most sectors, is likely to be characterised by the typical seasonal upturn in demand ("Black Friday" and the Christmas holidays).

Given these trends, and the strong growth already consolidated at the end of the first nine months, the forecast for a decisive strengthening in the results (EBIT and net profit) as well as the group's free cash flow the Group is confirmed for the year compared with the figures of the last two years.

*Reclassified consolidated accounting tables  
and business segments information*



(values in EUR million)

<b>MEDIASET GROUP</b> <i>Income Statement</i>	<b>9M</b>		<b>3rd Quarter</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Total consolidated net revenues</b>	<b>1,992.7</b>	<b>1,722.8</b>	<b>605.4</b>	<b>556.4</b>
Personnel expenses	351.6	334.6	113.4	106.6
Purchases, services, other costs	1,021.8	903.9	301.7	265.7
<b>Operating costs</b>	<b>1,373.4</b>	<b>1,238.5</b>	<b>415.1</b>	<b>372.3</b>
<b>EBITDA</b>	<b>619.3</b>	<b>484.2</b>	<b>190.3</b>	<b>184.0</b>
TV and movie rights amortization	277.0	319.0	91.9	102.3
Other amortization and depreciation	67.3	77.7	22.1	25.9
<b>Amortization and depreciation</b>	<b>344.3</b>	<b>396.7</b>	<b>114.0</b>	<b>128.2</b>
<b>Operating result (EBIT)</b>	<b>275.0</b>	<b>87.6</b>	<b>76.3</b>	<b>55.9</b>
Financial income/(losses)	22.2	(1.1)	(3.4)	(2.3)
Income/(expenses) from equity investments	102.9	10.2	4.7	4.9
<b>EBT</b>	<b>400.1</b>	<b>96.7</b>	<b>77.5</b>	<b>58.5</b>
Income taxes	(75.5)	(40.5)	(17.6)	(14.2)
Minority interests in net result	(50.8)	(45.7)	(12.8)	(14.9)
<b>Net result from continuing operations</b>	<b>273.8</b>	<b>10.5</b>	<b>47.1</b>	<b>29.4</b>
Net profit from discontinued operations	-	-	-	-
<b>Group net result</b>	<b>273.8</b>	<b>10.5</b>	<b>47.1</b>	<b>29.4</b>

(values in EUR million)

<b>MEDIASET GROUP</b> <i>Balance Sheet Summary</i>	<b>30/09/2021</b>	<b>31/12/2020</b>
TV and movie rights	888.9	932.7
Goodwill	803.2	803.2
Other tangible and intangible non current assets	866.7	869.9
Equity investments and other financial assets	1,342.5	1,159.8
Net working capital and other assets/(liabilities)	256.5	531.1
Post-employment benefit plans	(64.6)	(66.7)
<b>Net invested capital</b>	<b>4,093.2</b>	<b>4,230.1</b>
Group shareholders' equity	2,616.0	2,668.3
Minority interests	557.7	497.3
<b>Total Shareholders' equity</b>	<b>3,173.7</b>	<b>3,165.6</b>
<b>Net financial position</b>		
Debt/(Liquidity)	<b>919.5</b>	<b>1,064.4</b>

(values in EUR million)

ITALY Income Statement	9M		3 <sup>rd</sup> Quarter	
	2021	2020	2021	2020
<b>Consolidated net revenues</b>	<b>1,388.9</b>	<b>1,176.2</b>	<b>425.2</b>	<b>384.8</b>
Personnel expenses	260.3	250.0	83.2	78.4
Purchases, services, other costs	723.2	662.8	212.3	196.6
<b>Operating costs</b>	<b>983.5</b>	<b>912.8</b>	<b>295.5</b>	<b>275.0</b>
<b>EBITDA</b>	<b>405.3</b>	<b>263.4</b>	<b>129.6</b>	<b>109.8</b>
TV and movie rights amortization	215.9	248.7	71.0	78.7
Other amortization and depreciation	54.5	60.5	18.3	19.4
<b>Amortization and depreciation</b>	<b>270.4</b>	<b>309.2</b>	<b>89.3</b>	<b>98.1</b>
<b>Operating result (EBIT)</b>	<b>135.0</b>	<b>(45.8)</b>	<b>40.4</b>	<b>11.7</b>
Financial income/(losses)	19.4	(0.7)	(1.8)	(2.2)
Income/(expenses) from equity investments	100.5	8.1	4.0	4.7
<b>EBT</b>	<b>254.9</b>	<b>(38.4)</b>	<b>42.6</b>	<b>14.3</b>
Income taxes	(46.2)	(10.9)	(12.0)	(4.0)
Minority interests in net result	1.1	1.7	0.3	0.5
<b>Net result from continuing operations</b>	<b>209.9</b>	<b>(47.5)</b>	<b>30.9</b>	<b>10.8</b>
Net result from discontinued operations	-	-	-	-
<b>Net result</b>	<b>209.9</b>	<b>(47.5)</b>	<b>30.9</b>	<b>10.8</b>

(values in EUR million)

ITALY	9M		3 <sup>rd</sup> Quarter	
	2021	2020	2021	2020
<b>Consolidated net revenues</b>	<b>1,346.2</b>	<b>1,107.7</b>	<b>366.3</b>	<b>363.4</b>
Gross advertising revenues	1,346.2	1,107.7	366.3	363.4
Agency discounts	(190.5)	(156.8)	(51.5)	(51.1)
<b>Total net advertising revenues</b>	<b>1,155.6</b>	<b>950.8</b>	<b>314.8</b>	<b>312.3</b>
Other revenues	233.3	225.4	110.4	72.6
<b>Total net consolidated revenues</b>	<b>1,388.9</b>	<b>1,176.2</b>	<b>425.2</b>	<b>384.9</b>

(values in EUR million)

SPAIN <i>Income Statement</i>	9M		3 <sup>rd</sup> Quarter	
	2021	2020	2021	2020
<b>Total consolidated net revenues</b>	<b>603.8</b>	<b>546.6</b>	<b>180.3</b>	<b>171.5</b>
Personnel expenses	91.3	84.6	30.2	28.2
Purchases, services, other costs	298.6	241.1	89.4	69.1
<b>Operating costs</b>	<b>389.9</b>	<b>325.8</b>	<b>119.6</b>	<b>97.3</b>
<b>EBITDA</b>	<b>213.9</b>	<b>220.9</b>	<b>60.7</b>	<b>74.2</b>
TV and movie rights amortization	61.5	70.8	21.1	23.7
Other amortization and depreciation	12.9	17.2	3.8	6.5
<b>Amortization and depreciation</b>	<b>74.4</b>	<b>88.0</b>	<b>24.9</b>	<b>30.3</b>
<b>Operating result (EBIT)</b>	<b>139.6</b>	<b>132.9</b>	<b>35.8</b>	<b>44.0</b>
Financial income/(losses)	2.7	(0.4)	(1.7)	(0.1)
Income/(expenses) from equity investments	2.4	1.9	0.6	0.2
<b>EBT</b>	<b>144.7</b>	<b>134.4</b>	<b>34.7</b>	<b>44.0</b>
Income taxes	(29.2)	(29.5)	(5.6)	(10.2)
Minority interests in net result	(1.3)	(1.7)	(0.3)	(0.7)
<b>Net profit from continuing operations</b>	<b>114.2</b>	<b>103.2</b>	<b>28.8</b>	<b>33.2</b>
Net result from discontinued operations	-	-	-	-
<b>Net profit</b>	<b>114.2</b>	<b>103.2</b>	<b>28.8</b>	<b>33.2</b>

(values in EUR million)

SPAIN <i>Consolidated Revenues</i>	9M		3 <sup>rd</sup> Quarter	
	2021	2020	2021	2020
Gross advertising revenues	574.5	488.3	168.5	163.2
Agency discounts	(26.2)	(18.1)	(7.8)	(7.0)
<b>Net advertising revenues</b>	<b>548.4</b>	<b>470.2</b>	<b>160.7</b>	<b>156.2</b>
Other revenues	55.4	76.5	19.6	15.3
<b>Total net consolidated revenues</b>	<b>603.8</b>	<b>546.6</b>	<b>180.3</b>	<b>171.5</b>

(values in EUR million)

<b>MEDIASET GROUP</b> <i>Summary Cash Flow Statement</i>	<b>9M 2021</b>	<b>9M 2020</b>
<b>Net Financial Position at the beginning of the year</b> (Debt)/Liquidity	<b>(1,064.4)</b>	<b>(1,348.3)</b>
<b>Free Cash Flow</b>	<b>423.6</b>	<b>236.0</b>
Cash Flow from operating activities (*)	624.6	456.3
Investments in fixed assets	(306.8)	(406.5)
Disposals of fixed assets	1.6	1.2
Changes in net working capital and other current assets/liabilities	104.3	185.1
Change in the consolidation area	-	(8.5)
Own share's (sale)/buyback of the parent company and subsidiaries	(0.7)	-
Equity investments/Investment in other financial assets	(103.5)	(72.6)
Cashed-in dividends	167.5	20.2
Dividends paid	(342.1)	-
<b>Financial Surplus/(Deficit) from continuing operations</b>	<b>144.9</b>	<b>175.0</b>
<b>Net Financial Position at the end of the year</b> (Debt)/Liquidity	<b>(919.5)</b>	<b>(1,173.3)</b>

(\*): Net profit +/- minority interests + amortisations +/- net provisions +/- valuation of investments recorded using the net equity method - gains/losses on equity investments +/- deferred tax

(values in EUR million)

Cash Flow Statement (geographical breakdown)	Italy		Spain	
	9M 2021	9M 2020	9M 2021	9M 2020
<b>Net Financial Position at the beginning of the year</b>				
(Debt)/Liquidity	(1,187.7)	(1,318.0)	123.2	(30.2)
				-
<b>Free Cash Flow</b>	<b>242.3</b>	<b>116.4</b>	<b>181.3</b>	<b>119.6</b>
Cash Flow from operating activities (*)	424.5	264.6	200.2	191.7
Investments in fixed assets	(219.2)	(321.9)	(87.7)	(84.6)
Disposals of fixed assets	1.6	0.2	0.0	1.0
Changes in net working capital and other current assets/liabilities	35.4	173.5	68.8	11.5
Change in the consolidation area	-	(3.2)	-	(5.4)
Own share's sale/(buyback) of the parent company and subsidiaries	-	-	(0.7)	-
Equity investments/Investments in other financial assets and change of stake in subsidiaries	13.4	(11.3)	(116.8)	(61.4)
Cashed-in dividends	150.7	17.7	16.8	2.5
Dividends paid	(340.6)	-	(1.5)	-
<b>Financial Surplus/(Deficit) from continuing operations</b>	<b>65.9</b>	<b>119.7</b>	<b>79.0</b>	<b>55.3</b>
<b>Net Financial Position at the end of the period</b>				
(Debt)/Liquidity	(1,121.7)	(1,198.4)	202.2	25.1

(\*) Net result for the period +/- Amortisation, Depreciation and Impairment +/- Net provisions +/- Valuation of investments recorded using the net equity method +/- Deferred tax effects

(values in EUR million)

Increased in fixed assets	Italy		Spain	
	9M 2021	9M 2020	9M 2021	9M 2020
Investments in TV and movie rights	(166.5)	(308.5)	(72.9)	(98.0)
Changes in advances on TV rights	(13.8)	24.0	(10.9)	17.4
<b>TV and movie rights: investments and advances</b>	<b>(180.3)</b>	<b>(284.5)</b>	<b>(83.8)</b>	<b>(80.6)</b>
Investments in other fixed assets	(38.9)	(37.4)	(3.9)	(4.0)
<b>Total investments in fixed assets</b>	<b>(219.2)</b>	<b>(321.9)</b>	<b>(87.7)</b>	<b>(84.6)</b>

## Alternative Performance Indicators

The income statement and balance sheet contained in this Interim Financial Report correspond to those contained in the Report on Operations accompanying the annual Consolidated Financial Statements. As such, these figures are also summarised and restated in order to highlight the intermediate aggregates considered most significant for understanding the performance of the Group and the main sectors in which it operates. These indicators are consistent with guideline document ESMA/2015/1415 issued by the European Securities and Markets Authority (ESMA).

The alternative performance indicators included in this Interim Report are as follows:

**Gross operating result (EBITDA):** Calculated as the sum of Earnings before taxes plus or minus the *Result from equity investments, Financial (charges)/income* and *Depreciation and amortization*.

**Operating result (EBIT):** Calculated as the sum of *Earnings before taxes* plus or minus the *Result from equity investments* and *Financial (charges)/income*. This figure is also shown in the consolidated income statement of the Mediaset Group.

EBITDA and EBIT show the Group's ability to generate operating income without taking into account financial decisions, the valuation of equity investments and any tax impact.

**Net Financial Position:** The most significant indicator of the Group's ability to meet its financial obligations. It is calculated as the sum of *Gross financial debt*, net of *Cash and cash equivalents* and *Current financial assets and receivables*. It comprises the following balance sheet items: *Non-current financial payables and liabilities plus Current bank debt*, minus *Cash and cash equivalents* and *Current financial assets*; for the latter item, the calculation does not factor in the fair value of equity hedging derivatives and the fair value of foreign exchange hedging derivatives, except their non-performing parts.

**Net Invested Capital:** Calculated as the sum of *Net financial position* plus *Net Group shareholders' equity* and *Minority interests*, it shows the net sum of non-financial assets and liabilities.

**Free Cash Flow:** Summary indicator of the cash generating capacity of continuing core business. Therefore, it is calculated as the sum of all variations in Net Financial Positions other than cash flows related to: M&A transactions (change in the consolidation area, acquisition and/or sale of equity investments or minority interests in subsidiaries, and other strategic/financial assets), the distribution and/or receipt of dividends; share buybacks by the parent company or its subsidiaries; and the net cash flows generated from operations classed as available for sale or discontinued under IFRS 5.

For the Board of Directors  
Marco Giordani  
(Chief Financial Officer)