



**INTERIM FINANCIAL REPORT
AT 30 JUNE 2022**

MEDIAFOREUROPE N.V.

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

Share Capital: EUR 777,186,257.34

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

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CORPORATE BOARDS

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

FINANCIAL HIGHLIGHTS

MAIN INCOME STATEMENT DATA

FY 2021			1H 2022		1H 2021	
EUR			EUR M		EUR	
M	%		M	%	M	%
2,914.3	100%	Consolidated Net Revenues ¹	1,388.5	100%	1,387.2	100%
2,038.4	70%	Italy	974.6	70%	963.7	69.5%
876.3	30%	Spain	415.2	30%	423.6	30.5%
418.0		Operating Result (EBIT) ¹	112.0		198.7	
192.1		Italy	17.1		94.6	
225.3		Spain	95.8		103.8	
374.1		Group Net Profit	84.6		226.7	

MAIN BALANCE SHEET AND FINANCIAL DATA

31-Dec-21			30/06/2022		30/06/2021	
EUR			EUR		EUR	
4,099.5		Net Invested Capital¹	3,618.0		3,863.2	
3,230.3		Total Shareholders' Equity	2,987.3		3,131.5	
2,661.8		Group Shareholders' Equity	2,439.4		2,582.1	
568.5		Non-Controlling Interests	547.9		549.4	
869.2		Net Financial Position Debt/(Liquidity) ¹	630.7		731.7	
507.3		Free Cash Flow ¹	270.2		274.7	
396.0		Investments	228.8		226.1	
340.6		Dividends paid by the Parent Company	1.2		-	
-		Dividends paid by Subsidiaries	0.9		1.5	

PERSONNEL ²

FY 2021			30/06/2022		30/06/2021	
%			%		%	
4,889	100%	Workforce (headcount)	4,913	100%	4,951	100%
3,294	67%	Italy	3,326	68%	3,364	68%
1,595	33%	Spain	1,587	32%	1,587	32%

(1) APMs or non-GAAP measures are described and reconciled to IFRS figures in the section entitled *Definition and reconciliation of alternative performance measures (APMs or non-GAAP measures)*

(2) Includes temporary and permanent workforce

INTRODUCTION

This Interim Financial Report (the "Report") includes the Directors' Interim Report on Operations, the Condensed Consolidated Interim Financial Statements and the Statement of Compliance by the Board of Directors required by Section 5:25d, paragraph 2 of the Dutch Financial Supervision Act.

The Condensed Consolidated Interim Financial Statements have been drawn up according to the applicable International Accounting Standards (IAS/IFRS) issued by the International Accounting Standard Board ("IASB") and endorsed by the European Union and in accordance with the contents prescribed by IAS 34 - Interim Financial Reporting. The notes to the Condensed Consolidated Interim Financial Statements are therefore not comparable to those of complete financial statements drawn up in accordance with IAS 1 and should therefore be read in correlation with those contained in the Annual Report for the year ended 31 December 2021.

The accounting standards and measurement and valuation criteria used in drawing up this interim disclosure are consistent with those applied in drawing up the Consolidated Financial Statements as at 31 December 2021. There were no significant events or transactions during the reporting period that would have resulted in adopting accounting criteria or policies other than those used at 31 December 2021.

The structure and content of the reclassified consolidated financial statements set forth in the Interim Report on Operations are the same as those contained in the Annual Report. The alternative performance measures (APMs) contained in these statements are summarised in the section entitled "Definition and reconciliation of alternative performance measures (APMs or non-GAAP measures)" at the end of the Interim Report on Operations.

The main observed and expected impacts to the Group of the crisis sparked by the onset of the Ukraine conflict in late February of this year are described in the "Summary of operating performance and key financial results" and "Risks and uncertainties for the remainder of the year" sections of the Interim Report on Operations and in the explanatory note entitled "Assessment of recoverability of goodwill and other non-current assets (Impairment test)" of the Condensed Consolidated Interim Financial Statements.

Unless otherwise indicated, all figures in this Report are expressed in millions of euro to one decimal place, whereas the original figures have been recorded and consolidated in thousands of euro. The same is true of all percentages relating to changes between two periods or percentages of net revenue or other indicators.

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

This Report contains forward-looking statements that reflect the management's current outlook of the Group's future development. These forward-looking statements should be evaluated with consideration to risks and uncertainties that are beyond the Group's control and require significant judgment. If the underlying assumptions prove to be incorrect or materialise, the actual risks or opportunities described and the results and developments could differ materially (negatively or positively) from those expressed in these statements. The outlook is based on the estimates made by the Group's management based on all information available at the time of drawing up this Report.

The factors that could cause the actual results and developments to differ from those expressed or implied in the forward-looking statements are included in the "Disclosure of Main risks and uncertainties" section of the Annual Report for the year ended 31 December 2021. These factors may not be exhaustive and should be read in conjunction with the other precautionary statements included in this Report. The MFE Group assumes no obligation or liability in connection with any inaccuracies in the forward-looking statements made in this Report or in connection with any use by third parties of those forward-looking statements. The MFE Group assumes no obligation to update the forward-looking statements contained in this Interim Financial Report beyond its statutory disclosure requirements.

The Condensed Consolidated Interim Financial Statements contained in this Report have undergone a review by Deloitte Accountants B.V.

DIRECTORS' INTERIM REPORT ON OPERATIONS AT 30 JUNE 2022

SIGNIFICANT EVENTS AND TRANSACTIONS IN THE FIRST HALF OF THE YEAR

Since **1 January 2022**, Digitalia'08 has been directly managing the radio advertising sales of the Group's broadcasters and of some third-party broadcasters following its acquisition (also on 1 January) of the relevant business unit from Mediamond. For accounting purposes, the transaction is classified as a *business combination under common control* and the goodwill (difference between consideration paid and net assets acquired) generated by the transaction (EUR 0.7m) is recognised as a direct reduction in Group shareholders' equity.

On **10 January 2022**, RTI stopped broadcasting its **Mediaset Premium** channels on the Sky digital terrestrial platform.

Equity investment in ProSiebenSat.1 Media SE

During the first quarter, MFE and Mediaset España repaid – in the form of a cash settlement – tranches of the financial debt contracted 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 settled with the counterpart to the transaction. As a consequence of these transactions and further share acquisitions by MFE, and after filing a specific request with the competent German authorities (Bundeskartellamt di Bonn - Federal Cartel Office) on 4 March 2022 (under Article 39 of the German Competition Act - "GWB"), **the Group's integrated shareholding** at 30 June 2022 stood at **25.01% of equity** (25.74% of voting rights), comprising a direct shareholding of 24.26% and 0.74% through financial instruments. During the reporting period, the Group incurred a total disbursement of EUR 69.4 million for these transactions.

Furthermore, as at 30 June 2022, the minority stake in ProSiebenSat.1 Media SE did not meet the conditions to qualify as an associate under IAS 28 (Investments in Associates and Joint Ventures) – in other words, it was not deemed to be an entity in which the investor can exercise significant influence by participating in its financial and operating policy decisions. Therefore, as with previous reporting periods, this investment is recognised and measured in these consolidated financial statements as a financial investment under IFRS 9 (Financial Instruments) and, as a result, the accounting values of the equity investment and related hedging derivatives are measured at fair value and classified in Revaluation Reserve of Shareholders' Equity, without recycling to profit and loss, with only the dividends recognised in profit and loss.

On **5 May 2022**, the Shareholders' Meeting of **ProSiebenSat.1 Media** resolved to pay out an **ordinary dividend** of EUR **0.8 per share** for the year 2021 (compared to EUR 0.49 the previous year). For the reporting period, this generated a financial income of EUR 42.3 million to the Group.

Public purchase and exchange offer for all shares in the subsidiary Mediaset España Comunicación SA

On **14 March 2022**, the Board of Directors of MFE-MEDIAFOREUROPE N.V. ("MF") approved the launch of a Voluntary Public Purchase and Exchange Offer (the "Offer") for the entirety acquisition of non-controlling interest in the subsidiary Mediaset España Comunicación SA ("MES"). The Offer was for a total of 138,763,426 ordinary shares, corresponding to 44.31% of the company's share capital. The anticipated price was EUR 5.613 per share, split into a cash component of EUR 1.860 per Mediaset España Comunicación SA share covered by a guarantee issued by five Italian and Spanish banks, as well as an equity component (4.5 MFE-MEDIAFOREUROPE N.V. ordinary A-class shares, corresponding to EUR 3.753, for every Mediaset España Comunicación SA share; and, therefore, 9 MFE-MEDIAFOREUROPE N.V. ordinary A-class shares for every 2 Mediaset España Comunicación SA shares). Regarding this latter component, on **27 April 2022** MFE's Shareholders' Meeting, which approved the Offer, resolved to issue up to 624,435,408 ordinary A-class shares each with a par value of EUR 0.60 (including any consideration due in connection with any squeeze-out procedures following the settlement of the share part of the Offer) and to limit or exclude any option rights in connection with those shares.

On **26 May 2022**, the Spanish Financial Markets Authority (Comisión Nacional del Mercado de Valores or "CNMV") authorised the Offer.

On **6 June 2022**, MFE signed a cooperation agreement with MES regarding the Voluntary Public Purchase and Exchange Offer for all MES shares not subject to lock-up. This agreement increased the cash component of the Offer by more than 16%, from EUR 3.72 to EUR 4.32 for every two Mediaset España shares (equal to EUR 2.16 per one share) Consequently, the bank guarantees already provided were increased to EUR 299.9 million. In turn, the board of directors of Mediaset España committed to issuing a report favourable to the Offer. The CNMV approved the supplement to the offer document on **9 June 2022**, setting the expiry date of the Offer endorsement period at 1 July 2022.

On **7 July 2022**, the CNMV announced the results of the Offer. The Offer had been endorsed by 61.45% of the target shares. Following this outcome, MFE announced that it would waive the condition whereby the Offer would only go through subject to achieving the minimum endorsement threshold set at the Offer's launch (meaning that MFE's stake in MES would increase from 55.69% to 85%). Therefore, the Board of Directors of MFE resolved to issue 383,678,784 new MFE A-Class Shares, which would be allotted to the MES shareholders who endorsed the Offer.

Following the settlement of the Offer, which was completed on **14 July 2022**, MFE's share capital is EUR 800,206,984.38, represented by 2,705,734,997 MFE shares. These comprise 1,524,507,433 MFE A-Class Shares each with a par value of EUR 0.06 and each granting one voting right, and 1,181,227,564 MFE B-Class Shares each with a par value of EUR 0.60 and each granting ten voting rights.

MES's shares continue to be listed on the Spanish Stock Exchange following the completion of the transaction. MFE may consider, no earlier than six months after the settlement of the Offer, proposing a merger between MES and MFE, whereby MES shareholders would exchange their shares in MES for MFE Ordinary A-Class Shares. In this scenario, MFE would commit to list the MFE Ordinary A-Class Shares on the Spanish Stock Exchange.

As a result of this transaction, **MFE's controlling interest in the subsidiary MES increased from 55.69% on 30 June 2022 to 82.92%**. The completion of this transaction represents a non-adjusting subsequent event and will be therefore recognized in the Group's financial statements in the second half of 2022 as an equity transaction. Therefore, the EUR 19.7 million positive difference between the total consideration recognised for the transaction on the one hand (which includes the EUR 184.2 million cash component and the EUR 170.8 million fair value of the newly issued MFE A-Class Shares as at the effective transaction date) and the net book value of the acquired non-controlling interest in MES on the other (27.23%), based on the carrying amount at 30 June 2022, will be recognised after 30 June 2022 as a reduction of Other Reserves in Group shareholders' equity.

On **29 June 2022**, the General Shareholders' Meeting of MFE approved the **distribution of an ordinary dividend for the year 2021 of EUR 0.05** per ordinary class-A and class-B share in circulation on the ex-dividend date of each coupon (thus excluding treasury shares at that date). This dividend is payable on 21 September 2022 (with an ex-dividend date – number 1 for ordinary class-A shares and number 2 for ordinary class-B shares – of 19 September 2022 and a record date of 20 September 2022).

Ministerial Decree of 17 November 2021 – Definition of the criteria and procedures for the disbursement of compensatory economic measures to network operators.

The Ministerial Decree of 17 November 2021, published in the Official Gazette on 8 February 2022, laid out the criteria and procedures for the disbursement of compensatory economic measures for domestic network operators who have incurred upgrade costs for the refarming of frequencies to prepare for the transition of facilities to the new DVB-T2 broadcasting standard.

For interventions carried out from 1 December 2020 to 8 February 2022, the director general's decree of 27 June 2022 granted Elettronica Industriale the right to have 80% of its eligible expenses reimbursed for a sum of EUR 34.1 million, insofar as they were attributable to the subject of the application filed and in the percentage provided for in the decree. This amount was disbursed after 30 June in the anticipated rate of 70% (for a total of EUR 29.8 million). The remainder will be disbursed at the time of any further payments due for applications submitted from 1 July 2022 to 31 December 2022 for interventions carried out after 8 February 2022. As required by current accounting standards, these grants have been accounted for in these Condensed Consolidated Interim Financial Statements as a direct reduction to the operating costs and equipments previously recognized, with a positive impact of EUR 11.4 million for the period in terms of lower costs and depreciation.

SUMMARY OF OPERATING PERFORMANCE AND KEY FINANCIAL RESULTS

The opening months of 2022 brought a sudden escalation of the underlying international geopolitical crisis, culminating in the Russian military invasion of Ukraine in late February. This event was also accompanied by a further upswing in Covid-19 infections in the second quarter, related with a spread of new variants. However, given the high rates of vaccination, this phase has mostly been managed in a way that allows normality to resume, bringing an end to the states of emergency decreed by major governments. The protracting nature of the conflict in Ukraine and the uncertainty about how and when it will be resolved has rapidly brought about a gradual downturn in short-term economic forecasts at a global and European level.

The conflict and the resulting sanctions immediately imposed by the international community on the Russian government and its economy, as well as the countermeasures put in place by Russia, have had – and continue to have – major macroeconomic impacts. On the supply side, they have exacerbated the inflationary pressures already present towards the end of last year, causing an unprecedented shock to energy and food commodity prices. On the demand side, the restrictions on Russian imports and the general reduction in consumer spending caused by high inflation have led annual economic growth estimates to be revised downwards in major European countries – even though no conclusions can currently be drawn about the future development and duration of this inflation – and have fuelled the risks of the economy falling into recession. This is also influenced by the first interest rate hikes ordered between June and July by both the FED and the ECB, which were higher than expected and which had the declared objective of countering an acceleration in inflation.

During the second quarter, against an economic backdrop that was growing more complex and uncertain as the months went by, some commodity segments (mostly those relating to consumer goods and those most impacted by rising energy and commodity prices) began to change their marketing plans by postponing part of their originally planned campaigns. Despite these sectors impacting on total advertising sales, the Group – which had recorded aggregate advertising sales growth of +2.1 percent in the first quarter compared to the same period in 2021 – managed to limit this decline to just -1.6 percent at the end of the first half of the year. In Italy specifically, where the figure for the first six months of this year was in line with the same period in 2021, the trend continues to be better than that of the market as a whole. On the other hand, Mediaset España has experienced a greater contraction, partly influenced by the positive contribution of the rights to the UEFA European Football Championship in June of last year, which skews the comparison with the same period of last year. During the first six months, the Group realized a positive consolidated net operating and net profit and generated significant free cash flow during a period in which the Group's continued strong focus on cost control played a part.

Finally, with regard to the macroeconomic consequences of the continuing conflict in Ukraine, the main external market indicators and the trends in the Group's main performance indicators for the period did not identify any impairment trigger, nevertheless, given that the share price trends of MFE and subsidiary Mediaset España during the period represent an indicators of potential impairment losses, the directors verified the recoverability of the Group's non-current assets at the reporting date.

The **financial highlights** at the close of the period are summarised below:

Consolidated net revenues amounted to **EUR 1,388.5 million**, up 0.1% compared to the EUR 1,387.2 million recorded for the same period of last year.

Operating profit (EBIT) was **EUR 112.0 million**, compared to EUR 198.7 million for the same period in 2021. Operating profitability stood at 8.1%, compared to the 14.3% recorded in the same period in 2021.

The **Group net result** was positive at **EUR 84.6 million**, compared to the EUR 226.7 million net profit recorded for the same period in the previous year. Below EBIT the main difference was the EUR 86.7 million pro-quota (40%) capital gain made by subsidiary EI Towers from the sale of Towertel in the first half 2021.

Net Financial Position debt at 30 June 2022 amounted to EUR **630.7 million**, a reduction on the EUR 869.2 million recorded at the start of the period. Excluding the liabilities recognised under IFRS 16 from 2019 onwards and the residual financial debt for the acquisition of the equity investments in ProSiebenSat.1 Media SE, **adjusted net financial position** was **EUR 487.3 million (EUR 689.1 million at 31 December 2021)**. **Free cash flow** for the first six months amounted to EUR **270.2 million**, which was substantially in line with the EUR 274.7 million recorded for the same period of 2021.

Here below the break down the financial results by geographical area:

In Italy:

Consolidated net revenues from the Group's Italian operations totalled **EUR 974.6 million**, signalling growth of 1.1% compared to the 963.7 million achieved in the same period of the previous year.

Gross advertising revenues from Group-managed media (revenues from free-to-air TV channels and Group-owned radio stations and revenue shares from websites managed under concession by Mediamond) amounted to **EUR 976.4 million**, which was in line with the revenues from the same period of last year. This figure was bolstered by the excellent TV audience for the period overall and by the strong value of the Group's multimedia offering. Based on Nielsen data, the overall advertising market shrunk by -2.8% in the same period.

According to audience data from Auditel, during the period reported, Mediaset networks as a whole obtained an audience share of 37.0% over the 24-hour period, 36.8% in the Day Time slot and 37.4% in Prime Time. Mediaset also confirmed its leadership with the commercial target audience (15–64 years) during the first half of 2022 over the 24-hour period (40.7%), in the Day Time slot (40.5%) and in Prime Time (40.9%). Notably, Canale 5 ranks in top spot in all time slots with this viewer target. Mediaset consolidated its leadership among the commercial target during the spring season, with an overall audience share of 41.3% over the 24-hour period, 41.2% in the Day Time slot and 41.6% in Prime Time.

Other revenues amounted to **EUR 141.9 million**, an increase on the EUR 125.9 million made during the same period of last year. This was due to the new advertising sales agreements entered into with third-party media and the revenues generated from sublicensing Infinity premium contents to third parties, with these revenues offsetting the termination of the revenues made under the exclusive sublicensing agreements with Sky to broadcast the Premium Cinema and Series Channels from the start of 2022.

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 957.5 million**, compared to the EUR 869.1 million in the previous year. However, the comparison with the same period in 2021 is not consistent considering the higher costs sustained during the first half-year of 2022 are connected solely with multiyear agreements that started to run only during the second half of last year, including the costs of acquiring TV sporting events (three-year broadcasting rights to the Coppa Italia and Supercoppa Italiana) and fees due on advertising revenues for sporting events (Serie A DAZN) managed by the Group for third parties, as well as the impact of increased energy prices, which became an increasing component during the latter part of last year. The costs dynamics in the second half of the year will therefore be more comparable than last year's.

The **Operating profit (EBIT)** from all operations in Italy during the first six months amounted to **EUR 17.1 million**, compared to EUR 94.6 million for the first six months of 2021.

In Spain:

Consolidated net revenues for the Mediaset España Group up to the end of the first six months of 2022 stood at **EUR 415.2 million**, showing a -2.0% reduction on the same period of the previous year.

Gross TV advertising revenues stood at **EUR 385.8 million** (EUR 406.1 million at 30 June 2021), marking a 5% contraction compared to the same period of the previous year, which is in line with the trend in the Spanish advertising market. According to *Infoadex* statistics, television advertising investments contracted by 5% during the first six months of 2022, with television and digital media taken together increasing by 0.8%. Mediaset España maintained its leadership in its TV market with a share of 41.8%, whereas its share of the TV and digital media market stood at 23.4%.

Mediaset España maintained its leadership in audience figures in the half-year with a total audience share of 26.4% over the 24-hour period, and a 29.5% share among the commercial target audience. In the Prime Time slot, the Mediaset España Group achieved a 24.8% share of the total audience and 27.6% of the commercial target audience. Also in the first six months of 2022, Telecinco maintained its audience leadership with a 12.8% share over the 24-hour period, while reaching a share of 14.1% with the commercial target audience.

Other revenues (mainly content sales, online and Mitele Plus streaming subscriptions) stood at **EUR 46.8 million**, compared to EUR 35.8 million recorded in the same period of last year (+30.5%), with this increase primarily due to the excellent content sales figures recorded during the second quarter of 2022.

Total costs (personnel costs, other operating costs, amortisation and depreciation) were **EUR 319.3 million**, which is essentially in line with the same period of last year.

As a result of the above performance, **Operating profit (EBIT)** came to **EUR 95.8 million**, compared to EUR 103.8 million in the same period of 2021, corresponding to an operating profitability of 23.1%, compared to 24.5% in the same period in 2021.

RISKS AND UNCERTAINTIES FOR THE REMAINDER OF THE YEAR

As reported in the Directors' Report on Operations in the 2021 Annual Report, to which reference should be made for more details, the Group is structurally exposed to exogenous risks that could potentially threaten the sustainability of its business model and risks concerning its positioning among its competitors (macroeconomic and advertising market developments, trends in the content demand and usage, also with regard to trends in the demographic and social makeup of the population, fragmentation of the competitive environment and the risks of disintermediation by new operators operating globally, trends in domestic and international legislation) and internal (management of key market maturity, development of new supply/product models and international development, management and development of human and technological skills, management of the main operating processes aimed at safeguarding business continuity even in external crises and emergency situations, financial risk management, and legal and compliance risks).

As reported above, during the period under review, the wider international context was set back by the geopolitical crisis that flared in late February with Russia's military invasion of Ukraine. This event, which is continuing to develop, has led to a weakening of the macroeconomic outlook, cyclically fuelled by supply-side inflation in energy and food commodities, by the contraction of demand and consumer spending, and by the reversal, in part already expected, of monetary policies restrictively adopted by central banks to counter price growth.

Against this backdrop, the preliminary estimates currently available suggest that, following a positive first quarter (+6.2 percent compared to the same period in 2021), GDP also grew by +4.6 percent in the second quarter compared to the same period in 2021, which is better than expected.

GDP growth estimates for the current year, which reflect the uncertainty and volatility of the economic environment, have been progressively revised over the period and at the date of this Report stand at around +3% for Italy (compared to the +4% predicted at the beginning of the year) and 4.2% for Spain (compared to the 5.4% predicted at the beginning of the year). These figures are slightly better than they were just before the start of the conflict. Inflation for the current year, on the other hand, is expected to rise sharply. For Italy, inflation is estimated to be around 7% year on year (2.1% at the beginning of the year), whereas for Spain it is estimated to be 9% (2.7% at the beginning of the year). At present, although there is continuing uncertainty about the duration and intensity of the conflict, a gradual reduction in energy prices is generally expected during 2023, which should encourage a greater rebalancing of demand components linked to the recovery of household purchasing power.

Although the Group is not directly exposed in terms of the location of its operations, its financial and equity assets, and its revenues and costs with counterparties residing in the countries involved in the conflict, it is naturally indirectly exposed to exogenous impacts related to the economy's development, in particular to trends in private consumption. These factors in turn influence trends in the advertising spending of clients, which at this stage is mainly occurring in goods production sectors which, in turn, are directly exposed within the global raw materials market and in interconnected markets in terms of international supply chains.

However, given its high share of the advertising market and ratings figures, the broad sectorial diversification of its customers and its cost structure, the Group has adequate management levers in place to prospectively protect its cash generation in the face of these factors and to contain the impacts on its margins that could result from lower-than-expected trends in advertising revenues. As a consequence, these factors did not lead to the identification of impairment indicators or onerous contract for the Group in the period.

In addition, the Group's implementation of its policies means that it is not substantially exposed to significant economic and financial risks relating to the forecast trends in interest and exchange rates, nor did the Group shows

any signs of the quality of its trade receivables deteriorating during the first part of the year. On the contrary, it recorded a positive free cash flow that in was in line with the same period last year.

During the first half of the year, the Group also continued to operate with the aim of further enhancing its financial soundness in terms of its the structure, composition and counterparty diversification of its debt, its committed loan-to-value ratio, the extension of average maturity dates and the optimisation of low-cost conditions, and its availability to credit facilities in respect of average utilisation. In accordance with the Liquidity Risk Policy adopted by Mediaset, average consolidated financial exposure must not exceed 80% of all agreed credit facilities, with at least 20% of credit facilities remaining available at all times. On average, 53.8% of MFE's credit facilities were available and unutilised during the first half of this year.

In particular, in addition to the financial liabilities related to the investment in ProSiebenSat1, at 30 June 2022 MFE had EUR 1,419 million in total committed credit facilities lines, of which EUR 500 million unutilised and readily available, and Mediaset España had EUR 210 million in unutilised and readily available committed credit facilities. As at the approval date of these Condensed Consolidated Interim Financial Statements, the total committed credit lines available to MFE stand at EUR 1,447 million (of which EUR 500 million unutilised) and include EUR 475 million falling due within the next 12 months. Mediaset España's committed credit facilities are also unchanged on 30 June and fall due within the next 12 months.

As at the reporting date, the economic and financial ratios underlying the existing financial covenants in place for the main credit facilities entered into by the Group, which are monitored on a half-year basis, were markedly below the maximum allowable limits. Based on the evidence and elements currently available, it is reasonable to expect that these parameters will also be satisfied during the next 12 months.

During the remainder of the year, the Group will also continue to monitor the development of the COVID-19 health crisis which. Despite new variants and outbreaks being recorded, it is not expected in the short term that procedures will be adopted to manage and control the pandemic that are at variance with those in force in Italy since 1 April 2022, when the state of emergency ended. This is due to the high vaccine uptake in the areas where the Group operates.

Therefore, although it acknowledges the uncertainties relating to trends in its reference market, the Group will continue to operate during the remainder of the year with a strong market position and a robust financial footing, with the operational flexibility of its own editorial and commercial products and to constantly adapt its cost profile to the changing environment without having to compromise its cash generation capacities, while also continuing to pursue international expansion and development drives, including in relation to the completion of the Voluntary Public Purchase and Exchange Offer for the non-controlling interests of the subsidiary Mediaset España in early June. Therefore, there are no elements of risk or uncertainty to the Directors that could compromise business continuity.

BUSINESS OUTLOOK

The general context continues to be characterised by significant uncertainties regarding the duration and intensity of the global economic downturn and the Eurozone in particular, resulting from the ongoing conflict in Ukraine.

Forecasts by leading research institutes progressively point to possible recession scenarios for the last quarter of 2022 and the start of next year. This is due to a marked increase in inflation generated by the escalation of energy prices, in addition to further restrictive monetary interventions planned by central banks with the aim of containing and stabilising the inflationary pressure.

For the moment, this scenario has not led to a significant slowdown in the Group's advertising sales, which could, in any case, be affected in the coming months by a likely decline in spending and consumption by both businesses and households to cope with the energy price increases.

Even in this context, thanks to solid content positioning, the significant share of the advertising market and an ability to promptly adjust costs to trends in advertising revenues, the MFE Group confirms its objective of achieving positive economic and financial results, as well as positive free cash flow generation for the year 2022.

It should also be noted that starting from 1 July 2022, following the outcome of the takeover bid launched by MFE for the minority stakes of the subsidiary Mediaset España, the results of the Mediaset España Group will be consolidated on the basis of a 82.92% share (compared with 55.69% as of June 30).

**CONSOLIDATED FINANCIAL STATEMENTS
(RECLASSIFIED TO INCLUDE NON-IFRS
MEASURES) AND SECTOR INFORMATION**

MFE GROUP					
Reclassified Income Statement	EUR million	1H 2022	1H 2021	Change (EUR million)	Change (%)
Consolidated Net Revenues		1,388.5	1,387.2	1.3	0.1%
Personnel expenses		(235.1)	(238.2)	3.1	-1.3%
Purchases, services, other costs		(801.9)	(720.0)	(81.8)	11.4%
Operating costs		(1,037.0)	(958.3)	(78.7)	8.2%
Gross Operating Result (EBITDA)		351.6	429.0	(77.4)	-18.0%
TV Rights amortisation		(199.4)	(185.0)	(14.3)	7.8%
Other amortisation, depreciation and impairments		(40.2)	(45.2)	5.0	-11.1%
Amortisation, depreciation and impairment		(239.6)	(230.3)	(9.3)	4.0%
Operating Result (EBIT)		112.0	198.7	(86.7)	-43.6%
Financial income/(losses)		35.4	25.6	9.8	38.2%
Result of equity investments accounted for using the equity method		9.2	98.3	(89.1)	-90.6%
Profit Before Tax (EBT)		156.6	322.6	(166.0)	-51.5%
Income taxes		(29.2)	(57.8)	28.7	-49.6%
Non-controlling interest in net profit		(42.9)	(38.0)	(4.8)	12.7%
Group Net Profit		84.6	226.7	(142.2)	-62.7%

Reclassified Statement of Financial Position	EUR million	30/06/2022	31/12/2021
TV and movie rights		846.6	844.9
Goodwill		804.2	803.2
Other tangible and intangible non current assets		845.8	879.4
Equity investments and other financial assets		992.3	1,248.2
Net working capital and other assets/liabilities		188.5	382.9
Post-employment benefit plans		(59.4)	(59.2)
Net Invested Capital		3,618.0	4,099.5
Group shareholders' equity		2,439.4	2,661.8
Non-controlling interests		547.9	568.5
Total Shareholders' Equity		2,987.3	3,230.3
Net Financial Position Debt/(Liquidity)		630.7	869.2

ITALY Reclassified Income Statement	EUR million	1H 2022	1H 2021	Change (EUR million)	Change (%)
Consolidated Net Revenues		974.6	963.7	10.9	1.1%
Personnel expenses		(171.9)	(177.1)	5.2	-3.0%
Purchases, services, other costs		(614.4)	(510.9)	(103.5)	20.3%
Operating costs		(786.2)	(688.0)	(98.2)	14.3%
Gross Operating Result (EBITDA)		188.3	275.7	(87.4)	-31.7%
TV Rights amortisation		(141.2)	(144.9)	3.7	-2.5%
Other amortisation, depreciation and impairments		(30.0)	(36.2)	6.2	-17.0%
Amortisation, depreciation and impairment		(171.3)	(181.1)	9.8	-5.4%
Operating Result (EBIT)		17.1	94.6	(77.5)	-81.9%
Financial income/(losses)		15.2	21.2	(6.0)	-28.4%
Result of equity investments accounted for using the equity method		7.5	96.5	(88.9)	-92.2%
Profit Before Tax (EBT)		39.8	212.3	(172.5)	-81.3%
Income taxes		(7.1)	(34.2)	27.0	-79.1%
Non-controlling interest in net profit		0.1	0.8	(0.7)	-87.5%
Group Net Profit		32.7	178.9	(146.2)	-81.7%

ITALY
Consolidated Net Revenues

	EUR million	1H 2022	1H 2021	Change (EUR million)	Change (%)
Gross advertising revenues		976.4	976.9	-0.5	0.0%
Agency discounts		(143.7)	(139.1)	(4.7)	-3.3%
Net advertising revenues		832.7	837.8	-5.1	-0.6%
Other revenues		141.9	125.9	16.0	12.7%
Consolidated Net Revenues		974.6	963.7	10.9	1.1%

SPAIN Reclassified Income Statement	EUR million	1H 2022	1H 2021	Change (EUR million)	Change (%)
Consolidated Net Revenues		415.2	423.6	(8.4)	-2.0%
Personnel expenses		(63.2)	(61.1)	(2.1)	3.4%
Purchases, services, other costs		(187.5)	(209.1)	21.6	-10.3%
Operating costs		(250.7)	(270.3)	19.5	-7.2%
Gross Operating Result (EBITDA)		164.4	153.3	11.2	7.3%
TV Rights amortisation		(58.4)	(40.4)	(18.0)	44.5%
Other amortisation, depreciation and impairments		(10.2)	(9.1)	(1.1)	12.4%
Amortisation, depreciation and impairment		(68.6)	(49.5)	(19.1)	38.6%
Operating Result (EBIT)		95.8	103.8	(8.0)	-7.7%
Financial income/(losses)		20.2	4.4	15.8	358.6%
Result from investments accounted for using the equity method		1.7	1.8	(0.1)	-4.5%
Profit Before Tax (EBT)		117.8	110.0	7.8	7.1%
Income taxes		(22.0)	(23.6)	1.6	-7.0%
Non-controlling interest in net profit		0.8	1.0	(0.2)	-15.7%
Net Profit		95.0	85.4	9.6	11.2%

SPAIN Consolidated Net Revenues	EUR million	1H 2022	1H 2021	Change (EUR million)	Change (%)
Gross advertising revenues		385.8	406.1	-20.2	-5.0%
Agency discounts		(17.4)	(19.1)	1.7	8.7%
Net Advertising Revenues		368.4	387.0	-18.6	-4.8%
Other revenues		46.8	44.2	2.6	5.8%
Consolidated Net Revenues		415.2	431.2	-16.0	-3.7%

Reclassified Cash Flow Statement	EUR million	1H 2022	1H 2021
Net Financial Position at the Beginning of the Period		(869.2)	(1,064.4)
Free Cash Flow		270.2	274.7
Cash Flow from operating activities (*)		329.7	443.4
Investments in fixed assets		(228.8)	(226.1)
Disposals of fixed assets		0.2	0.3
Changes in net working capital / Other assets and liabilities		169.1	57.1
Change in the consolidation area		(0.1)	-
Treasury share (sale)/buyback of the parent company and subsidiaries		-	(0.7)
Equity investments/Investments in other financial assets and change of interest held in subsidiaries		(84.5)	(105.5)
Dividends received		54.9	165.8
Dividends paid		(2.0)	(1.5)
Financial Surplus/(Deficit)		238.5	332.8
Net Financial Position at the End of the Period		(630.7)	(731.7)

(*): Net profit +/- non-controlling interests + amortisations +/- net provisions +/- valuation of investments accounting for by using the equity method - gains/losses on equity investments +/- deferred tax

Reclassified Cash Flow Statement by Geographical Area	Italy		Spain	
	1H 2022	1H 2021	1H 2022	1H 2021
EUR million				
Net Financial Position at the Beginning of the Period	(1,135.5)	(1,187.7)	266.3	123.2
Free Cash Flow	156.2	133.3	114.0	141.4
Cash Flow from operating activities (*)	183.1	298.9	147.9	144.6
Investments in fixed assets	(170.8)	(175.9)	(58.0)	(50.2)
Disposals of fixed assets	0.1	0.3	0.1	-
Changes in Net working capital / Other assets and liabilities	143.8	10.0	24.0	47.0
Change in the consolidation area	(0.1)	-	-	-
Treasury share (sale)/buyback of the parent company and subsidiaries	-	-	-	(0.7)
Equity investments/Investments in other financial assets and change of interest held in subsidiaries	(45.7)	15.3	(38.7)	(120.8)
Dividends received	29.2	150.7	25.6	15.1
Dividends paid	(1.2)	-	(0.9)	(1.5)
Financial Surplus/(Deficit)	138.5	299.3	100.0	33.5
Net Financial Position at the End of the Period	(997.1)	(888.4)	366.4	156.7

(*): Net profit +/- non-controlling interests + amortisations +/- net provisions +/- valuation of investments accounting for by using the equity method - gains/losses on equity investments +/- deferred tax

Investments in Fixed Assets	Italy		Spain	
	1H 2022	1H 2021	1H 2022	1H 2021
EUR million				
Investments in TV and movie broadcasting rights	(151.9)	(147.1)	(50.0)	(45.2)
Changes in advances on broadcasting rights	(5.9)	(10.9)	(5.8)	(2.9)
TV and movie broadcasting rights: investments and advances	(157.7)	(158.0)	(55.8)	(48.2)
Investments in other fixed assets	(13.1)	(17.9)	(2.2)	(2.0)
Total Investments in Fixed Assets	(170.8)	(175.9)	(58.0)	(50.2)

DEFINITION AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (APMS OR NON-GAAP MEASURES)

In this Directors' Report on Operations, the income statement, statement of financial position and cash flow statement have been restated to highlight the intermediate aggregates considered most significant for understanding the performance of the Group and of the main sectors in which it operates. These figures are provided where so required by the guidance contained in Disclosure ESMA/2015/1415 issued by the European Securities and Markets Authority (ESMA). Alternative Performance Indicators supplement the information required by IFRS and help to better understand the Group's economic, financial and balance sheet position. Alternative Performance Measures can serve to facilitate comparisons with groups operating in the same industry. In some cases, however, the calculation method applied may differ from those applied by other companies. Therefore, these data should be considered complementary to, and not a substitute for, the IFRS measures to which they relate.

The Alternative Performance Measures (APMs) included in this Directors' Report on Operations are as follows:

Consolidated Net Revenues indicate the sum of *Revenues from sales of goods and services and other income* in order to state the aggregate positive income components generated by core business and to provide a reference measure for calculating the main operating profitability and net profitability indicators.

Gross Operating Result (EBITDA) is calculated by taking the *Net profit for the period* (as provided for by the International Accounting Standards), adding *Income taxes*, then subtracting or adding *Financial income/(losses)* and *Result from investments accounted for using the equity method* and, finally, adding *Amortisation, depreciation and impairments*.

Operating Result (EBIT) is calculated by taking the *Net profit for the period* (as provided for by the International Accounting Standards), adding *Income taxes*, then subtracting or adding *Financial income/(losses)* and *Result from investments accounted for using the equity method*. Operating Result is also shown in the consolidated income statement.

EBITDA and EBIT are typical intermediate performance inputs for calculating the *Net profit for the period* (IFRS performance measure). Although the Net profit provides a comprehensive measure of the company's profitability, it does not provide an adequate overview of its operating profitability. EBITDA and EBIT show the Group's capacity to generate operating income without taking account financial management, the valuation of equity investments and any tax impact.

Net Financial Position is calculated by aggregating the IFRS items *Non-current financial payables and liabilities, Payables to banks* and *Current financial liabilities* and subtracting *Cash and cash equivalents* and *Current financial assets*, with adjustments made to those items to exclude the following: i) the fair value of derivatives hedging foreign exchange risk, except for the part exceeding the change in the foreign-currency payables hedged. ii) the fair value of derivative instruments hedging equity instruments; and iii) loans granted to associates and financial liabilities on options on non-controlling interests in subsidiaries.

Net financial position shows the extent to which financial debt exceeds cash and cash equivalents and financial assets, and is the summary indicator used by management to measure the Group's ability to meet its financial obligations.

Net Invested Capital is calculated by taking IFRS item *Shareholders' Equity* and adding the Net Financial Position. Net Invested Capital is a summary measure of the net assets invested and provides an immediate overview of the Group's deployments, showing the activities in which the Group has used financing to invest in capital resources, such as Television and Movie Broadcasting Rights. In relation to certain components of Net Invested Capital, please

note that the items Equity investments and other financial assets include assets recognised in the Consolidated Statement of Financial Position as *Investments in associates and joint ventures* and *Other financial assets* (the latter limited to Equity investments and Non-current financial receivables, thus excluding hedging derivatives, which are included as Net working capital and Other assets/liabilities). On the other hand, Net Working Capital and Other Assets/Liabilities include current assets (apart from cash and cash equivalents and current financial assets included in the Net Financial Position), deferred tax assets and liabilities, non-current assets held for sale, provisions, trade payables and tax liabilities.

Free Cash Flow is calculated by taking IAS/IFRS measure *Net cash flow from operating activities* (excluding the item “Net cash flows from discontinued operations”), then adding:

- “Net cash flow from/used in investing activities”, comprising the items Proceeds from the sale of fixed assets”, “Interest paid or received”, “Investments in TV and movie broadcasting rights”, “increases/(decreases) in advances for broadcasting rights” and “changes in payables for investments in broadcasting rights”, “Investments in other fixed assets”, excluding “Payments for investments in strategic assets” and “Increases in tangible assets (rights of use)”, recognised pursuant to IFRS 16;
- “Interest received or paid”, as contained in the item “Net cash flow from/used in financing activities”.

Free cash flow is a summary measure that management uses to measure the net cash flow from operating activities. This is an indicator of the Group's organic financial performance and its ability to pay dividends to shareholders and support external growth and development operations. The following statements show the **reconciliations** of the alternative performance measures as at 30 June 2022 and 2021, compared to key IFRS items.

EUR million	1H 2022	1H 2021
EBITDA Reconciliation		
Net profit for the period	127.4	264.7
+ Income taxes	29.2	57.8
+/- Financial income/(losses)	(35.4)	(25.6)
+/- Result from investments accounted for using the equity method	(9.2)	(98.3)
+ Depreciation, amortisation and impairments	239.6	230.3
Gross Operating Result (EBITDA)	351.6	429.0

EUR million	1H 2022	1H 2021
EBIT Reconciliation		
Net profit for the period	127.4	264.7
+ Income taxes	29.2	57.8
+/- Financial income/(losses)	(35.4)	(25.6)
+/- Result from investments accounted for using the equity method	(9.2)	(98.3)
Operating Result (EBIT)	112.0	198.7

	EUR million	30/6/2022	31/12/2021
Reconciliation of Net Financial Position			
Current financial assets		25.0	18.4
Cash and cash equivalents		468.7	315.6
Financial liabilities and payables		(739.2)	(831.7)
Due to banks		(329.6)	(363.1)
Other financial liabilities		(64.5)	(83.4)
Difference on derivatives ¹		1.1	63.8
Difference on receivables and loans ²		7.6	11.2
Net Financial Position		(630.7)	(869.2)

¹ Differences on derivatives consists of: (i) the fair value of exchange rate derivatives, except for the ineffective part of the cash flow hedge and (ii) the fair value of derivatives to hedge equity investments.

² Differences on receivables and loans consists of loans to associates and financial liabilities for options on non-controlling interests in subsidiaries.

	EUR million	30/6/2022	31/12/2021
Reconciliation of Net Invested Capital			
Group and non-controlling interest shareholders' equity		2,987.3	3,230.3
+/- Net financial position ((Debt)/Liquidity)		(630.7)	(869.2)
Net Invested Capital		3,618.0	4,099.5

	EUR million	1H 2022	1H 2021
Reconciliation of Free Cash Flow			
Net cash flow from operating activities		461.2	544.1
+/- Proceeds from the sale of fixed assets		-	0.3
+/- Payments for Investments in TV and movie broadcasting rights		(178.9)	(230.7)
+/- Payments for investments in other fixed assets		(23.9)	(36.5)
+/- Interest paid		(5.3)	(4.8)
+/- Other adjustments		17.2	2.4
Free Cash Flow		270.2	274.7

**MFE-MEDIAFOREUROPE N.V. GROUP
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
AND EXPLANATORY NOTES**

MFE-MEDIAFOREUROPE GROUP

CONDENSED CONSOLIDATED INTERIM

STATEMENT OF INCOME

INCOME STATEMENT	Notes	1H 2022	1H 2021
Revenues from sales of goods and services	4.1	1,375.8	1,379.8
Other income		12.7	7.4
Personnel expenses	4.2	235.1	238.2
Purchases, services, other costs	4.3	801.9	720.0
Amortisation, depreciation and impairments	4.4	239.6	230.3
TOTAL COSTS		1,276.5	1,188.5
OPERATING RESULT		112.0	198.7
Financial income / (expense)	4.5	35.4	25.6
Result from investments accounted for using the equity method	4.6	9.2	98.3
PROFIT BEFORE TAX		156.6	322.6
Income taxes	4.7	(29.2)	(57.8)
NET PROFIT FOR THE PERIOD		127.4	264.7
Attributable to:			
- Equity shareholders of the parent company		84.6	226.7
- Non-controlling interests		42.9	38.0
Earnings per share	4.8		
- Basic		0.04	0.10
- Diluted		0.04	0.10

MFE-MEDIAFOREUROPE GROUP

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Notes	1H 2022	1H 2021
CONSOLIDATED NET PROFIT (A):		127.4	264.7
Comprehensive income/(loss) that may be subsequently reclassified to profit and loss		15.4	7.2
Effective portion of income/(loss) on hedging instruments (cash flow hedge)	6.1	19.9	8.8
Associates' and joint ventures' share of comprehensive income/(loss)	6.2	0.2	0.6
Tax effect		(4.8)	(2.1)
Comprehensive income/(loss) that will not be reclassified to profit and loss		(266.7)	42.3
Gains and losses on options valuation	6.1	31.1	(129.6)
Other gains and losses on Investments at FVOCI	6.1	(299.5)	187.3
Tax effect		1.7	(15.4)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) NET OF TAX EFFECTS (B)		(251.3)	49.5
TOTAL COMPREHENSIVE INCOME (A + B)		(123.9)	314.3
attributable to:			
- owners of parent company		(106.1)	260.4
- non controlling interests		(17.8)	53.9

MFE-MEDIAFOREUROPE GROUP

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	30/06/2022	31/12/2021
NON-CURRENT ASSETS			
Property, plant and equipment	5.1	288.3	324.2
TV and movie rights	5.2	846.6	844.9
Goodwill	5.2	804.2	803.2
Other intangible assets	5.2	557.4	555.2
Investments in associates and joint venture	5.4	427.0	436.3
Other financial assets	5.4	575.9	832.1
Deferred tax assets	5.5	394.8	407.1
TOTAL NON-CURRENT ASSETS		3,894.3	4,203.0
Current assets			
Inventories		30.8	42.5
Trade receivables	5.6	633.2	795.6
Tax receivables		44.4	43.5
Other receivables and current assets	5.7	266.0	229.2
Current financial assets	6.9	25.0	18.4
Cash and cash equivalents	6.9	468.7	315.6
Total current assets		1,468.1	1,444.9
TOTAL		5,362.4	5,647.9

MFE-MEDIAFOREUROPE GROUP

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30/06/2022	31/12/2021
SHARE CAPITAL AND RESERVES			
Share capital		777.2	777.2
Share premium reserve		275.2	275.2
Treasury shares		(374.5)	(374.5)
Revaluation reserves	6.1	(204.2)	(33.7)
Retained earnings and other reserves	6.2	1,881.2	1,643.5
Net result for the period		84.6	374.1
Group Shareholders' Equity		2,439.4	2,661.8
Non-controlling interest in net profit		42.9	80.7
Non-controlling interest in share capital, reserves and retained earnings		505.1	487.8
Non-controlling interest		547.9	568.5
TOTAL SHAREHOLDERS' EQUITY		2,987.3	3,230.3
NON-CURRENT LIABILITIES			
Post-employment benefit plans		59.4	59.2
Deferred tax liabilities	5.5	108.7	105.7
Financial liabilities and payables	6.3	739.2	831.7
Provisions (non current portion)	6.6	43.1	46.7
Total non-current liabilities		950.4	1,043.3
CURRENT LIABILITIES			
Due to banks	6.4	329.6	363.1
Trade and other payables	6.7	662.8	597.0
Provisions (current portion)	6.6	54.8	72.3
Current tax liabilities		18.8	17.4
Other financial liabilities	6.5	64.5	83.4
Other current liabilities	6.8	294.3	241.2
TOTAL CURRENT LIABILITIES		1,424.7	1,374.3
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		5,362.4	5,647.9

MFE-MEDIAFOREUROPE GROUP

CONDENSED CONSOLIDATED INTERIM

STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES:	notes	1H 2022	1H 2021
Operating result		112.0	198.7
+ Depreciation, amortisation and impairments		239.6	230.3
+ Other provisions and non-cash movements	8.1	(4.9)	8.2
+ Change in trade receivables		164.8	159.3
+ Change in trade payables		26.7	(17.6)
+ Change in other assets and liabilities	8.2	(60.8)	(24.6)
- Income tax paid		(16.2)	(10.2)
Net cash flow from/(used) in operating activities [A]		461.2	544.1
CASH FLOW FROM INVESTING ACTIVITIES:			
Proceeds from the sale of fixed assets		1.6	0.3
Payments for investments in TV and movie broadcasting		(178.9)	(230.7)
Payments for investments in other fixed assets		(23.9)	(36.5)
Payments for equity investments in associates and joint ventures		(0.5)	(4.0)
Proceeds/(Payments) for hedging derivatives on financial assets	8.3	(42.8)	22.3
Proceeds/(Payments) for other financial assets	8.4	(33.2)	(102.7)
Dividends received	8.5	49.0	165.8
Business combinations net of cash and cash equivalents acquired	8.6	(0.1)	-
Net cash flow from/(used) in investing activities [B]		(228.8)	(185.5)
CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from financing		200.0	275.0
Financing repayments		(246.5)	(316.0)
Dividends paid		(2.1)	(1.5)
Changes in other financial liabilities		(21.5)	(14.1)
Interest paid		(5.3)	(4.8)
Changes in controlling interest		(4.0)	(4.6)
Net cash flow from/(used) in financing activities [C]		(79.4)	(66.1)
CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)		153.1	292.5
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD [E]		315.6	447.9
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (F=D+E)		468.7	740.4

MFE-MEDIAFOREUROPE GROUP

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium reserve	Legal reserve (under Italian law) and other reserves	Treasury shares	Valuation reserve	Retained earnings and other reserves	Profit/(loss) for the period	Total equity attributable to equity shareholders of the parent company	Total equity attributable to non-controlling interests	TOTAL SHAREHOLDERS' EQUITY
Notes					6.1	6.2				
Opening balance at 31/12/2020	614.2	275.2	545.7	(389.7)	(35.2)	1,518.7	139.3	2,668.2	497.3	3,165.6
Reclassification due to Relocation	-	-	(545.7)	-	25.1	520.6	-	-	-	-
Pro forma opening balance at 01/01/2021	614.2	275.2	-	(389.7)	(10.1)	2,039.3	139.3	2,668.2	497.3	3,165.6
Allocation of the parent company's 2020 net profit	-	-	-	-	-	139.3	(139.3)	-	-	-
Dividends paid	-	-	-	-	-	(341.8)	-	(341.8)	-	(341.8)
Share based payment reserve evaluation	-	-	-	-	-	0.9	-	0.9	-	0.9
Other changes	-	-	-	-	17.0	(22.7)	-	(5.7)	(1.7)	(7.4)
Comprehensive income/(loss)	-	-	-	-	35.3	(1.6)	226.7	260.4	53.9	314.3
Closing balance at 30/06/2021	614.2	275.2	-	(389.7)	42.2	1,813.5	226.7	2,582.1	549.4	3,131.5
Opening balance at 31/12/2021	777.2	275.2	-	(374.5)	(33.7)	1,643.5	374.1	2,661.8	568.5	3,230.3
Allocation of the parent company's 2021 net profit	-	-	-	-	-	374.1	(374.1)	-	-	-
Dividends paid	-	-	-	-	-	(114.1)	-	(114.1)	(0.9)	(115.0)
Share based payment reserve evaluation	-	-	-	-	-	0.8	-	0.8	-	0.8
Changes in controlling stake on subsidiaries	-	-	-	-	-	1.2	-	1.2	(1.9)	(0.7)
Other changes	-	-	-	-	20.4	(24.6)	-	(4.2)	-	(4.2)
Comprehensive income/(loss)	-	-	-	-	(190.9)	0.2	84.6	(106.1)	(17.8)	(123.9)
Closing balance at 30/06/2022	777.2	275.2	-	(374.5)	(204.2)	1,881.2	84.6	2,439.4	547.9	2,987.3

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2022

1. BASIS OF PREPARATION

These Condensed Consolidated Interim Financial Statements have been:

- ▣ prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) as adopted by the European Union (EU). As at the reporting date, there were no significant differences between the standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financing Reporting Interpretations Committee (IFRIC) on the one hand and those adopted by the EU on the other. Consequently, the accounting standards applied by the Company fully comply with the IFRS issued by the IASB;
- ▣ prepared by the Company's Board of Directors and authorised for publication on 27 September 2022;
- ▣ drawn up based on a cost basis, with the exception of certain financial instruments which were measured at fair value in accordance with IFRS 9 and IFRS 13.
- ▣ presented on a going concern basis, with the Directors having verified that there are no financial, managerial or other indications of critical issues that would affect the Group's ability to meet its obligations in the foreseeable future. The main risks and uncertainties concerning the business are described in the Interim Report on Operations. The ways in which the Group manages its financial risks in detail, including liquidity and capital risk, are described in the "Disclosure on Financial Instruments and Risk Management Policies" section of the notes to the Consolidated Financial Statements at 31 December 2021, to which reference should be made.
- ▣ presented in euro, which is the currency of use for the majority of the Group's operations. The amounts shown in this note are expressed in millions of euro.

These Condensed Consolidated Interim Financial Statements, drawn up in accordance with IAS 34: International Financial Reporting, do not contain all information and disclosures required for the annual financial statements and should therefore be read in conjunction with the Consolidated Financial Statements for the year ending 31 December 2021.

The Group's consolidated economic and financial performance are not significantly influenced by effects on its business of a seasonal or cyclical nature.

The preparation of the Condensed Consolidated Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, costs, assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. If these estimates and assumptions (which are based on the management's best judgment as at the date of these Condensed Consolidated Interim Financial Statements) deviate from actual circumstances in the future, the original estimates and assumptions will be adjusted accordingly in the period in which the circumstances change. Please refer to the "Use of estimates" section of the Consolidated Financial Statements at 31 December 2021 for a detailed description of the most significant assessment methods used by the Group. In addition, in accordance with IAS 34, some assessment procedures (particularly those of a more complex nature concerning possible impairment of non-current assets) are carried out in full only when drawing up the annual consolidated financial statements, when all the relevant necessary information is available, unless there are clear indicators of impairment, in which case an immediate assessment would be necessary. Likewise, the actuarial assessments required to determine employee benefit

provisions are also usually made when drawing up the annual consolidated financial statements, except in the event of significant market fluctuations, or significant plan changes, reductions or settlements.

There are no significant changes in this report, either in nature or amount, in relation to the items estimated in previous interim or annual reports.

These Condensed Consolidated Interim Financial Statements have been subject to review by independent auditors.

2. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS APPLICABLE FROM 1 JANUARY 2022

Since 1 January 2022, the following new accounting standards and/or amendments and interpretations of standards previously in force have become applicable.

On **14 March 2020**, the IASB published the following amendments, which entered force on 1 January 2022:

- **Amendments to IFRS 3 Business Combinations:** these amendments aim to update the outdated reference in IFRS 3 to the revised version of the Conceptual Framework, without significantly changing the requirements of IFRS 3.
- **Amendments to IAS 16 Property, Plant and Equipment:** These amendments aim to prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets:** These amendments clarify that estimations of the possible cost of a contract must take into account all costs directly attributable to the contract. Consequently, evaluating the possible cost of a contract includes not only incremental costs (e.g. the cost of direct material used in processing), but also all costs that the Company cannot avoid due to having signed the contract (e.g. personnel expenses and the depreciation of machinery used to fulfil contractual obligations).
- **Annual Improvements 2018-2020:** Amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and Illustrative Examples of IFRS 16 Leases.

The adoption of these amendments has had no impact on the Group's consolidated financial statements.

EU-ENDORSED IFRS ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET MANDATORY AND NOT ADOPTED EARLY BY THE GROUP AS AT 30 JUNE 2022

The endorsed standards issued but not yet effective at the date of preparation of these Condensed Consolidated Interim Financial Statements are listed below. The Group does not intend to adopt these principles in advance. The directors do not expect the adoption of these amendments to have any significant effect on the Group's consolidated financial statements.

On **12 February 2021**, the IASB published two amendments entitled "**Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2**" and "**Definition of Accounting Estimates—**

Amendments to IAS 8". The amendments are intended to enhance the disclosure of accounting policies so as to provide more useful information to investors and other primary users of financial statements and to help companies distinguish between changes in accounting estimates and changes in accounting policies. The amendments will apply from 1 January 2023, but early adoption is permitted. The directors do not expect the adoption of these amendments to have any significant effect on the Group's consolidated financial statements.

NEW IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

The standards issued but not yet endorsed at the date of preparation of the Group's Condensed Consolidated Interim Financial Statements are listed below. The Group is still assessing the impact of these amendments on its financial position or financial results, in so far as they are applicable.

On **23 January 2020**, the IASB issued an amendment called "**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**". The amendment aims to clarify how current and non-current payables and other liabilities are classified. The amendments will enter force on 1 January 2023; however, companies may choose to adopt them early.

On **7 May 2021**, the IASB published an amendment entitled "**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**". The amendment clarifies how deferred taxes should be recognised for particular transactions for which an entity recognises both an asset and a liability of equal amounts, such as leases and decommissioning obligations. The amendments will apply from 1 January 2023, but early adoption is permitted. The directors are currently evaluating the possible effects of the introducing this amendment for the Group's consolidated financial statements.

3. KEY INFORMATION RELATING TO THE SCOPE OF CONSOLIDATION AND TRANSACTIONS IN THE FIRST HALF OF THE YEAR

The main changes in the scope of consolidation during the period under review are summarised below.

INCORPORATION, ACQUISITION OF NEW COMPANIES, CAPITAL INCREASES AND SALE OF SUBSIDIARIES OR INTERESTS IN SUBSIDIARIES

- ▣ On 15 December 2021, taking effect on **1 January 2022**, Arnoldo Mondadori S.p.A. sold its 20% stake in the company **Monradio S.r.l.** to RTI S.p.A.
- ▣ On **1 January 2022**, Mediaset Italia S.p.A. changed its name to Mediaset S.p.A.
- ▣ Since **1 January 2022**, Digitalia'08 directly manages the radio advertising sales of the Group's broadcasters and of some third-party broadcasters following its acquisition, on the same date, of the relevant business unit from Mediamond. For accounting purposes, this transaction is classified as a *business combination under common control*. As a consequence, the incremental goodwill generated following the acquisition is recognised as a direct reduction of shareholders' equity.
- ▣ On **24 January 2022**, Mediaset España established the company **Engage2021 S.L.U.** through its subsidiary Aninpro Creative, S.L. This company is consolidated on a line-by-line basis.
- ▣ On **24 January 2022**, Mediaset España established the company **Social Halo 2021 S.L.U.** through its subsidiary Aninpro Creative, S.L. This company is consolidated on a line-by-line basis.

- On **26 January 2022**, Mediaset España established the company **Social 15D 2021 S.L.U.** through its subsidiary Aninpro Creative, S.L. This company is consolidated on a line-by-line basis.

INCORPORATION, ACQUISITION OF NEW COMPANIES, CAPITAL INCREASES AND SALE OF ASSOCIATES

- On **10 February 2022**, associate company Alea Media S.A. established the company **Alea Silencio S.L.U.** This company has been consolidated using the equity method.
- On **1 March 2022**, the subsidiary Publieurope LTD purchased a 30% stake in Action Media Limited, which subsequently changed its name to **Dr Podcast Audio Factory Limited** on 8 March 2022.
- On **21 June 2022**, **Pagoeta S.L.U.** – held through associate company Alea Media S.A. – was liquidated.

INCORPORATION, ACQUISITION OF NEW COMPANIES, CAPITAL INCREASES AND SALE OF NON-CONTROLLING INTERESTS

- During the first quarter, the subsidiary RTI S.p.A. vested its stake held in Styleremains GMBH to **Rebelle AG**, as part of the AD4Venture activity. Following this transaction, RTI holds a 5.21% stake in Rebelle AG.
- In **May**, MFE-MEDIAFOREUROPE N.V. increased its stake in **ProSieben Sat1 Media SE**, acquiring a 1.11% equity interest. Following this transaction, the MFE Group now holds an equity interest of 25.01% in the company (25.74% of voting rights), as notified by Bafin on 12 May 2022. In line with previous years, as at 30 June 2022, the minority stake in ProSiebenSat.1 Media SE did not meet the conditions to qualify as an associate under IAS 28 (Investments in Associates and Joint Ventures) – in other words, it was not deemed to be an entity in which the investor can exercise significant influence by participating in its financial and operating policy decisions. Therefore, as with previous reporting periods, this investment is recognised and measured in these consolidated financial statements as a financial investment under IFRS 9 (Financial Instruments) and, as a result, the accounting values of the equity investment and related hedging derivatives are measured at fair value and classified in Revaluation Reserve of Shareholders' Equity, without recycling to profit and loss, with only the dividends recognised in profit and loss.
- On **7 June 2022**, the subsidiary RadioMediaset S.p.A. purchased a 5% stake in the company **Digital Radio S.r.l.**
- During the **second quarter**, the stake held by RTI S.p.A. in **ITravel Group S.A.** decreased from 2.59% to 2.0%.
- During the **second quarter**, RTI S.p.A. sold its 3.62% stake in **Check Bonus S.r.l.**
- On **1 June 2022**, as part of the AD4Venture business, the purchase was signed off for a 0.33% stake in **Zandivio Ltd (Smile2Impress)**, Europe's leading next-generation digital orthodontics company specialising in invisible aligners to improve and perfect smiles.

4. COMMENTS ON THE MAIN CHANGES IN REVENUES AND COSTS

4.1 REVENUES FROM SALES OF GOODS AND SERVICES

	1H 2022	1H 2021
TV advertising revenues	1,149.9	1,151.7
Other advertising revenues	101.2	88.3
Marketing of TV rights and productions	54.1	70.0
Pay streaming service	18.6	10.9
Construction, rental and maintenance of TV equipment	27.1	40.5
Film distribution revenues	4.3	1.1
Other revenues	20.7	17.2
TOTAL	1,375.8	1,379.8

TV advertising revenues, shown net of agency discounts, refer mainly to the activity of selling space (managed for Italy and Spain, respectively, by the Group's concessionaires, Publitalia '80 and Publiespana S.A.) on the free-to-air generalist and semi-generalist broadcasters owned by Mediaset and Mediaset España and those (Kids channels) managed within joint venture (Boing). In the period under review, these revenues show a limited decline in Italy which is kept significantly lower in percentage terms than the market as a whole, even when considering that RAI and Sky broadcast the first phase of the UEFA European Football Championships in June 2021. In Spain, however, where Mediaset España held the rights to last year's competition, this contraction is more pronounced. TV advertising revenues also include the sales activities managed in Italy by the concessionaire Digitalia '08 for pay channels Premium Cinema and Serie, distributed by Sky (a residual activity in the previous fiscal year, which was discontinued in 2022) and, beginning the second half of last year, for the TV rights to the Italian Serie A held by Dazn under a three-season deal beginning 2021-2022.

Other advertising revenues mainly refer to sales relating to the Group's websites and web properties (managed under a sub-concession in Italy by the joint venture Mediamond) and the Group's radio stations. This latter activity has been managed directly by the Group's concessionaire Digitalia '08 since 2022, following the purchase of the relevant business unit from Mediamond, which previously managed it. As a result of this transaction, beginning 2022, Digitalia '08 also manages advertising sales for some third-party radio stations held in the portfolio of the acquired business unit.

The year-on-year decrease in revenues from the **Marketing of rights and television productions** for the period can mainly be attributed to the lower proceeds from the absence of revenues under exclusive agreements to sublicense to Sky the Cinema and TV Series Premium channels terminated at the beginning of 2022.

The year-on-year decrease in revenues from the **Construction, rental and maintenance of television equipment** can mainly be attributed to the discontinuations of transmission capacity rent agreements with third party operators that reached their end date.

4.2 PERSONNEL EXPENSES

	1H 2022	1H 2021
Ordinary remuneration	129.4	129.6
Overtime	6.1	6.0
Special benefits	11.7	11.1
Additional salary period (13th and 14th salary period)	17.9	18.1
Accrued and unused holiday	3.8	4.4
Total Wages and Salary	168.9	169.2
Social security contributions	49.1	49.7
Post-employment benefit plans	0.2	0.1
MLT incentive plans	0.8	0.9
Other personnel expenses	16.1	18.3
Total Personnel Expenses	235.1	238.2

The following table shows the details of the **group's average workforce**, determined on a full time equivalent (FTA) basis based on the business sector to which they belong attributable to the two main geographical areas, Italy and Spain in which the Group's activities are carried out. No employees work at companies with registered offices in the Netherlands, as the Group's actual and operating headquarters continue to be located in Italy and Spain.

AVERAGE WORKFORCE	1H 2022	1H 2021
Italy	3,250	3,287
Spain	1,596	1,579
Total	4,846	4,866

4.3 PURCHASES, SERVICES AND OTHER COSTS

	1H 2022	1H 2021
Purchases	38.0	27.9
Change in inventories of raw materials, semi-finished and finished products and increase in internal work	10.0	12.0
Consultants, contractors and services	106.3	109.7
Making and purchases of productions	281.0	247.7
Broadcaster fees and guaranteed minimums	44.8	13.8
Advertising space and external relations	8.9	7.4
EDP Services	7.3	9.3
Research, training and travel expenses	4.3	2.5
Other services	197.6	180.5
Services	650.3	571.0
Rentals	86.1	80.5
Accruals/(Utilizations) of provisions	(10.0)	1.9
Other operating expenses	27.5	26.7
Total Purchases, Services, Other costs	801.9	720.0

Purchases includes expenditures for the purchase of the raw materials and consumables used in staff and production activities (such as sets, costumes, awards) as well as those relating to the acquisition of TV rights licences with a duration of less than one year (such as rights to news and events) in the amount of EUR 17.4 million (EUR 14.9 million at 30 June 2021)

With reference to **Cost for services**:

- ▣ the item **Consultants, contractors and services** refers to professional service and advisor, corporate bodies fees, collaborators and temporary work expenses, artistic and journalistic collaborations.
- ▣ the item **Making and purchases of production** refers to direct costs related to the creation of in-house productions and for purchase of productions from third parties. The increase in the period is mainly due to the rights and costs for the broadcasting of sporting events (Coppa Italia/Supercoppa Italiana) to which the Group acquired exclusive rights for the 2021/2022, 2022/2023 and 2023/2024 seasons, and which were absent in the same period of last year.
- ▣ the increase in **Broadcaster fees and guaranteed minimums** is mainly due to the fees paid for the TV advertising sales of sporting events (Serie A DAZN) and radio advertising managed by the Group on behalf of third parties. These activities were absent in the same period of last year.

□ the item **Other services** mainly refers to trade association costs for the use of intellectual property rights of EUR 48.1 million (EUR 43.8 million at 30 June 2021) and the costs of maintaining networks, broadcasting equipment, property and IT systems for EUR 39.0 million of maintenance costs (EUR 37.5 million in the first half of 2021).

Rentals includes EUR 61.9 million in costs relating to television signal transmission and the rental of tower for the two geographical areas of business (EUR 58.1 million in the first half of 2021), EUR 5.5 million in royalties (EUR 5.4 million in the first half of 2021) and EUR 11.4 million relating to rents mainly for television studios and equipment and office space (EUR 9.9 million in the first half of 2021).

Accruals/(Utilizations) of provisions includes provision (net of the reversal of the excess funds accrued in previous years) for onerous contracts in relation to some television productions or to reflect future expenses due to business restructuring plans. There are net utilizations in the period under review, in connection with the release of funds set aside in previous years for the actual use of television productions and artistic resources and the settlement of certain legal disputes.

Other operating costs include indirect tax charges, donations and associative contributions and concession fees of which the main part relating to the contribution of 3% of the gross advertising sales of the Mediaset España Group in accordance with the industry sector law on funding public television.

4.4 AMORTISATION, DEPRECIATION AND IMPAIRMENTS

	1H 2022	1H 2021
Amortisation of TV and movie rights	199.4	185.0
Amortisation of other intangible assets	19.9	19.7
Amortisation of tangible assets	19.4	26.1
Impairments/(Reversal) of receivables	0.9	(0.5)
Total Amortisation, Depreciation and Impairment	239.6	230.3

For commentary on changes in depreciation, see Notes 5.1 Property, plant and equipment and 5.2 Intangible assets, television and movie broadcasting rights, below:

4.5 FINANCIAL INCOME/(LOSSES)

	1H 2022	1H 2021
Interests from financial assets	0.1	0.1
Interests on financial liabilities	(4.0)	(4.2)
Dividends from FVTOCI investments	46.4	26.3
Other financial income/(losses)	(6.3)	2.9
Foreign exchange gains/(losses)	(0.8)	0.5
Total Financial Income/(Losses)	35.4	25.6

Dividends from FVTOCI investments included the dividend approved by investee ProSiebenSat.1 Media SE.

4.6 RESULT FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This item includes the share of the net result of investments measured using the **equity method**, in addition to any capital gains/losses deriving from their sale.

	1H 2022	1H 2021
Result of equity investments accounted for using the equity method	9.2	98.2
Gain/(loss) from sale of equity investments	-	0.1
Total Result from Investments accounted for using the equity method	9.2	98.3

The result of **Equity investments accounted for using the equity method** mainly included expenses and income related to the pro-rata recognition of the results of equity investments in associates and joint ventures. In particular:

- ▣ income of EUR 6.9 million for the equity investment in EI Towers.
- ▣ income of EUR 0.4 million for the equity investment in La Fábrica de la Tele;
- ▣ income of EUR 1.1 million for the equity investment in Fascino PGT S.r.l.;
- ▣ income of EUR 0.5 million for the equity investment in Bulldog TV.;
- ▣ income of EUR 0.5 million for the equity investment in Unicorn Content SL;
- ▣ expense of EUR 1.3 million for the equity investment in Boing S.p.A.

4.7 TAXES FOR THE PERIOD

	1H 2022	1H 2021
Current taxes	1.1	7.3
Tax expenses (foreign companies)	17.7	12.9
Deferred tax effects	10.4	37.7
Total	29.2	57.8

As at 30 June 2022 MFE Group's deferred and current taxes for the period were calculated based on the applicable tax regulations and the best information available.

Current taxes include the costs for the IRAP tax base for the half-year and prior year tax generated as a result of the recalculation of taxes upon submission of the income tax return with respect to the amount recognised in the financial statements for previous years.

Tax expenses (foreign companies) primarily include charges for current taxes recognised by companies of the Mediaset España Group.

Deferred tax effects comprises the main financial movements for the period for the accruals and/or reversals generated as a result of the changes in the temporary differences between carrying amount and taxable basis.

4.8 EARNINGS/(LOSS) PER SHARE

Basic and diluted earnings per share are calculated as follows:

	1H 2022	1H 2021
Net result for the period attributable to owners of parent company (EUR million)	84.6	226.7
Weighted average number of ordinary shares	2,281,657	2,280,024
Basic EPS	0.04	0.10
Weighted average number of ordinary shares for the diluted EPS computation	2,283,435	2,281,646
Diluted EPS	0.04	0.10

For comparative purposes, the figures for the first half of 2021 were calculated taking into account the shareholder base current at 31 December 2021, which followed the share capital increase carried out in the second half of last year for the allocation of the second class of shares.

Earnings per share are calculated by dividing the Group net profit by the weighted average of the number of outstanding shares, net of the treasury shares. The figure for diluted earnings per share is calculated using the number of shares in circulation and the potential diluting effect from the allocation of treasury shares to the beneficiaries of vested incentive plans.

5. COMMENTS ON THE MAIN CHANGES IN ASSETS

5.1 PROPERTY, PLANT AND EQUIPMENT

	Owned property, plant and equipment	Property, plant and equipment - Right of use	TOTAL
Balance at 31/12/2021	230.7	93.5	324.2
Additions	12.0	1.7	13.7
Disposals	(0.0)	(0.0)	(0.1)
Amortisation, depreciation and impairments	(15.7)	(8.3)	(24.0)
Other changes	(25.4)	(0.2)	(25.6)
Balance at 30/06/2022	201.6	86.6	288.3

The EUR 12.0 million increase in **Owned property, plant and equipment** refers mainly to the technical investments in facilities and radio bridges relating to the new digital terrestrial DVB-T2 technology, and intangible assets in progress and advances. Other changes refers to the reduction of the carrying amount of the assets acquired as part of the frequency refarming activities to prepare for the transition of facilities to the new DVB-T2 broadcasting standard. This specifically related to the interventions carried out from 1 December 2020 to 8 February 2022 with government grants paid to Elettronica Industriale by Ministerial Resolution 27 June 2022, which were equal to 80% of eligible total expenses (costs and investments) for those interventions.

Property, plant and equipment - Right of use include lease agreements recognised under IFRS 16 for leases of real estate and television studios and rentals of staff company cars. The increases relate to new contract accessions during the period in question. Right-of-use depreciation rates were calculated based on the established lease terms.

5.2 INTANGIBLE FIXED ASSETS, TELEVISION AND MOVIE BROADCASTING RIGHTS

	TV and movie rights	Goodwill	Other intangible assets	TOTAL
Balance at 31/12/2021	844.9	803.2	555.2	2,203.3
Additions	198.3	1.0	16.8	216.1
Disposals	-		(0.0)	(0.0)
Amortisation, depreciation and impairments	(199.5)		(19.9)	(219.4)
Other changes	2.9		5.4	8.4
Balance at 30/06/2022	846.6	804.2	557.4	2,208.3

The main changes on the figures shown in the consolidated financial statements as at 31 December 2021 are summarised below:

- ▣ Increases in **Television and movie rights** of **EUR 201.7 million**, of which EUR 198.3 million for purchases in the period and EUR 3.4 million for capitalisation of advances paid to suppliers (recognised as Other intangible assets at 31 December 2021).
- ▣ Increase in **Goodwill** of **EUR 1.0 million**, referring to the carrying amount of goodwill already included in the business unit pertaining to the radio advertising sales of the Group's broadcasters and some third-party broadcasters, which Digitalia'08 acquired from joint venture Mediamond on 1 January 2022. For accounting purposes, the transaction is classified as a *business combination under common control* and the goodwill (difference between consideration paid and net assets acquired) generated by the transaction (EUR 0.7m) is recognised through a direct reduction in Group shareholders' equity.
- ▣ Increases in **Other intangible assets**, totalling **EUR 16.8 million**, mainly relating to increases in intangible assets in progress and advances, particularly advances paid to suppliers for the acquisition of broadcasting rights. As already commented for TV and movie rights, the item Other changes includes decreases of EUR 3.4 million relating to the reclassification of capitalisation of advances paid to suppliers.

5.3 ASSESSMENT OF RECOVERABILITY OF GOODWILL AND OTHER NON-CURRENT ASSETS (IMPAIRMENT TEST)

At 30 June 2022, the designation of the CGUs was substantially identical to their designation at 31 December 2021 given that there no significant changes were made to the Group structure that would require them to be reviewed. In particular, the CGUs are aligned with the operating segments set forth in IFRS 8 (Mediaset España) or with business lines that can be identified within the Italian segment (Free TV Italy, Pay TV and Radio sector activities, and other activities mainly pertaining to the advertising sales managed by Digitalia' 08, which since 1 January 2022 also directly manages the radio advertising sales of the Group's broadcasters and of some third-party broadcasters following its acquisition, on the same date, of the relevant business unit from Mediamond).

The following table shows the amounts and the allocation of goodwill to each CGU at 30 June 2022.

CGU	30/06/2022	31/12/2021
Mediaset España	657.7	657.7
Free TV Italy	145.6	145.6
Other advertising sales	1.0	-
Total Goodwill	804.2	803.2

With regard to the developments and progressive deterioration of the economy triggered by the outbreak of the conflict in Ukraine in late February, the main external indicators and the trends in the main internal performance indicators for the period offer no evidence to suggest that the conclusions reached in the context of impairment tests carried out on non-current assets for the purposes of the Group's Consolidated Financial Statements for the year ended 31 December 2021 should be revised as at the date of these Condensed Consolidated Interim Financial Statements). Those tests had shown that, although the market capitalisation of MFE and Mediaset España was still below their consolidated carrying amounts, the carrying amounts of the Mediaset España, Free TV Italy and Radio CGUs had a high headroom based on their recoverable amount determined by applying the value-in-use methodology and also performing specific sensitivity analysis. The testing also confirmed the recoverability of the residual carrying amounts of the pay/SVoD series and movie rights partially written down in previous years.

However, in observing the trend in the share price of MFE and subsidiary Mediaset España as at the reference date of these Condensed Consolidated Interim Financial Statements, both of them registered a further significant reduction during the period under review. This trend was influenced both by the overall high volatility of the financial markets and stocks in the sector and by the price dynamics that affected the shares as a consequence of the MFE's voluntary public purchase and exchange offer for the non-controlling interests in the subsidiary Mediaset España. As a result of these trends, the market capitalisation of MFE and Mediaset España at 30 June 2022 was still significantly lower than their consolidated carrying amount.

The presence of this external indicator required the Directors to verify the recoverability of the Group's non-current assets. In particular, despite the extremely unstable and uncertain economic climate, they confirmed the medium-to-long term economic and financial projections contained in the most recently approved business plans taking into account the main observable evidence on the key variables. In particular, the analysis have been conducted at the reporting date by taking into account elements such as:

- the main variables related to the evolution of the reference context taken from the best external information available at time, mainly relating to the expected evolution of the main macroeconomic variables (GDP, inflation and consumption) and the trend forecast by the main specialised observers for the advertising markets, which in most cases are still focused (with wide confidence intervals) on short-term revisions of the estimates forecast for the current year, without identifying evidence of significant medium-term impacts which would require the forward-looking plans to be revised;
- the main internal evidence concerning the operating result and cash flow generation achieved by the various CGUs (which in the period under review do not show negative deviations from budget forecasts);
- the Group's access, as recently demonstrated against a negative macroeconomic backdrop, to the levers necessary to review and adapt its editorial offering, costs and investment profile, where necessary.

Finally, by updating the discount rates represented by the weighted average cost of capital for the Group's various CGUs based on the main underlying financial parameters observed as at the reporting date, it was also possible to identify non-significant deviations from the discount rates used in the impairment process carried out at 31 December 2021, with these being even lower for the Group's main CGUs than break-even discount rates identified in the sensitivity analyses conducted on the same date, at which the recoverable value equalled their respective carrying amount.

On these bases, despite the share prices of MFE and Mediaset España being lower at the closing date than their carrying amount no impairment was identified in the non-current assets of any of the CGUs analysed. Indeed, even if the reference background is further revised to reflect more severe impacts or a more prolonged risk of deterioration and uncertainty in the reference markets, the Directors believe (and this has recently been shown against the negative macroeconomic backdrop) that the Group has the necessary levers to review and adapt its editorial offering, costs and investment profile. Moreover, the most recent approved plans do not take into account the effects of the synergies expected in relation to the greater integration of activities and processes between MFE and Mediaset España that will ensue from the implementation of the Public Purchase and Exchange Offer launched by MFE during the period.

5.4 EQUITY INVESTMENTS IN ASSOCIATES AND JOINT VENTURES AND OTHER FINANCIAL ASSETS

	Equity investments in associates and joint ventures	Equity investments in other companies	Receivables and other financial assets	Hedging derivatives	Total equity investments and other financial assets
Balance at 31/12/2021	436.3	800.9	11.1	20.2	1,268.5
Additions	0.5	36.1	-	-	36.6
Disposals		-	(0.1)	-	(0.1)
Write-ups/(Write-offs)/Fair Value Adjustments/Impairment	9.2	(298.7)	-	6.4	(283.0)
Other changes	(19.2)	-	-	-	(19.2)
Balance at 30/06/2022	427.0	538.3	11.0	26.6	1,002.9

With regard to *Equity Investments in associates and joint ventures*, it should be noted that Additions refers to the acquisition of a 30% stake in the company Dr Podcast Audio Factory Limited, whereas *Other changes* mainly includes the dividends distributed by associates and joint ventures. The line *Write-ups/(Write-offs)/Fair Value Adjustments/Impairment* refers to the pro-rata share of the profits of associates and joint ventures in the period,

The additions in *Equity Investments in other companies* for the period refer to the following: EUR 30.6 million for the acquisition of a 1.11% stake in Prosiebensat.1 Media SE by MFE-MEDIAFOREUROPE N.V., EUR 4.0 million in increases for the acquisition of shares falling within the AD4Venture business, as well as to the acquisition of a 5% stake in Radio Digitale S.r.l.

The EUR 298.7 million under *Write-ups/(Write-offs)/Fair Value Adjustments/Impairment* refers to the effects of the fair value measurement, recognized in the equity Valuation Reserve for the equity investment held in Prosiebensat.1 Media SE. As a result of these adjustments, the fair value of the 25.01% stake held by the Group in ProsiebenSat1 Media SE was worth EUR 513.3 million at 30 June.

The changes in *Hedging derivatives* mainly relate to the change in fair value of the put options taken out to hedge changes in the value of the equity investment held in Prosiebensat.1 Media.

5.5 DEFERRED TAX ASSETS AND LIABILITIES

	30/06/2022	31/12/2021
Accruals of deferred tax assets	394.8	407.1
Deferred tax liabilities	(108.7)	(105.7)
Net position	286.1	301.4

The EUR 12.3 million reduction in *Deferred tax assets* relates both to the utilisation of deferred tax assets recognised for prior-year tax losses and to the net utilisation generated by the temporary mismatch of the taxable and carrying amounts of assets and liabilities.

As at 30 June 2022, MFE Group's deferred and current taxes for the period were calculated based on the applicable tax regulations and the best information available. As a result of this calculation, the value of deferred tax assets on IRES tax losses that can be carried forward without any time limit and which were generated within the Italian tax consolidation scheme (EUR 190.4 million at 31 December 2021) remained substantially unchanged. This was consistent with the estimates formulated as part of the recoverability testing carried out at the end of last year. Therefore, there were no events or indicators during the six months half year that would change the medium/long-term recovery forecasts made when preparing the consolidated financial statements at 31 December 2021, which in turn were based on the estimated future taxable income of the companies included in the domestic tax consolidation scheme as derived from the most recent business plans; the recovery period estimated was between 8 and 9 years.

5.6 TRADE RECEIVABLES

	30/06/2022	31/12/2021
Receivables from customers	606.0	716.0
Receivables from related parties	27.2	79.6
Total	633.2	795.6

The change in Trade receivables reflects the different volumes of advertising revenues due to the different seasonality of this revenue stream throughout the year.

The breakdown of receivables from related parties is reported in Note 11 (*Related party transactions*).

5.7 OTHER RECEIVABLES AND CURRENT ASSETS

	30/06/2022	31/12/2021
Other receivables	225.6	174.2
Prepayments and accrued income	40.4	55.0
Total	266.0	229.2

Other receivables mainly include:

- ▣ advances to suppliers, agents and professionals for television productions totalling EUR 15.8 million (EUR 16.8 million at 31 December 2021);
- ▣ receivables of EUR 138.9 million due from factoring companies (EUR 134.4 million at 31 December 2021).

Prepayments and accrued income, of which EUR 9.8 million from the Mediaset España Group, mainly refers (EUR 8.9 million) to the already-incurred costs not pertaining, however, to the period of some matches of the 2022/23 **UEFA Champions League 2022/23**.

6. NOTES ON MAIN CHANGES TO SHAREHOLDERS' EQUITY AND LIABILITIES

Following the transfer of the Parent Company to the Netherlands in 2021 and its consequent conversion into a Dutch N.V., some items that were presented within Group Shareholders' Equity to comply with Italian regulations as at 31 December 2020 (e.g. the Legal Reserve) have been reclassified, incorporated or renamed to align reporting with Dutch civil law requirements as at the transformation date of 20 September 2021.

These reclassifications are reported in the Interim Consolidated Statement of Changes in Shareholders' Equity

Old description	Share capital	Share premium	Legal and other reserves (under Italian Law)	Treasury shares	Revaluation reserves	Retained earnings	Net profit for the year	Total equity attributable to equity shareholders of the parent company	Total equity attributable to non controlling interest	TOTAL SHAREHOLDERS' EQUITY
New description	Share capital	Share premium		Treasury shares		Retained earnings and other reserves	Net profit for the year	Total equity attributable to equity shareholders of the parent company	Total equity attributable to non controlling interest	TOTAL SHAREHOLDERS' EQUITY
Stated figures	614.2	275.2	545.7	-389.7	-35.2	1,518.7	139.3	2,668.3	497.3	3,165.6
Reclassification	-	-	-545.7		25.1	520.6				
Enhanced stated figures	614.2	275.2	-	-389.7	-10.1	2,039.3	139.3	2,668.3	497.3	3,165.6

6.1 REVALUATION RESERVES

	30/06/2022	31/12/2021
FVTOCI equity investments reserve	(189.2)	25.8
Cash flow hedge reserve	22.9	7.7
Options intrinsic value reserve	3.8	(2.5)
Options time value reserve	(41.7)	(64.7)
Total	(204.2)	(33.7)

The table below shows the changes occurred during the half-year.

	Cash flow hedge reserve	FVTOCI equity investments reserve	Options time value reserve	Options intrinsic value reserve	Total Valuation reserve
Balance at 31/12/2021	7.7	25.8	(64.6)	(2.5)	(33.7)
Increase/(decrease)	1.0	-	-	-	1.0

Reclassification to profit or loss	(0.1)	-	-	-	(0.1)
Opening balance adjustment of the hedged item	(4.0)	-	-	-	(4.0)
Fair value changes	23.1	(228.3)	16.3	5.1	(183.9)
Deferred tax effects	(4.8)	-	1.0	-	(3.8)
Other changes	-	13.4	5.7	1.3	20.4
Balance at 30/06/2022	22.9	(189.2)	(41.7)	3.8	(204.2)

Other changes, relating to the item FVTOCI equity investments, refers to the reclassification under Retained Earnings of the cumulative fair value differences in relation to the equity investments sold by the Group.

Other changes, relating to the Options time value reserve and the Options intrinsic value reserve, refer to the reclassification under Retained Earnings following the settlement of some tranches of the financial instruments hedging the financial investment in ProsiebenSat1 made during the six-month period.

The changes in the reserves described above are reported in the Statement of Comprehensive Income gross of tax effects

6.2 RETAINED EARNINGS AND OTHER RESERVES

	30/06/2022	31/12/2021
Reserve from equity investments accounted for using the equity method	(6.7)	(6.9)
Consolidation reserve	(79.0)	(79.0)
Reserves for transaction with non-controlling interest	203.9	204.6
Stock option and incentive plans reserve	7.3	6.5
Reserve from actuarial gains/(losses)	(31.9)	(31.9)
Retained earnings	1,787.6	1,550.2
Total	1,881.2	1,643.5

The impact of *Other changes* on the caption (as shown in the Condensed Consolidated Interim Statement of Changes in Shareholders' Equity) totally amounting to EUR -24.6 million, relates for EUR -20.4 million to the reclassification of the cumulative fair value differences in relation to equity investments FVTOCI disposed by the Group and for EUR -4,2 million to the transaction costs already incurred by the Group for the voluntary public purchase and exchange offer for the non-controlling interests in the subsidiary Mediaset España launched during the period.

The period-on-period change in the item *Reserve from equity investments accounted for using the equity method* refers - in terms of measuring equity investments accounted for using the equity method - to the pro-rata share of the components directly charged by investees through shareholders' equity.

The change in the item *Reserves for transactions with non controlling interests* refers to the effects of the business unit acquisition from Mediamond. For accounting purposes, the transaction is classified as a *business combination under common control* and the incremental goodwill generated by the transaction is recognised in that reserve.

At 30 June 2022, the Stock option and incentive plans reserve consisted of the contra-entries for costs accrued, measured in accordance with IFRS 2, relating to medium-long term incentive plans adopted by MFE-MEDIAFOREUROPE N.V. The EUR 0.8 million change for the period relates to increases in the costs accruing under incentive plans issued by the Group in the 2021 financial year.

The change in *Retained earnings* mainly refers to the recognition of the 2021 profit and the distribution of dividends in the amount of EUR 114.1 million, which will be paid on 21 September 2022 in accordance with the Shareholders' Meeting resolution of 29 June 2022.

6.3 FINANCIAL PAYABLES AND LIABILITIES

	30/06/2022	31/12/2021
Due to banks	641.2	683.3
Payables to other lenders	0.1	0.1
IFRS 16 lease financial liabilities (non current portion)	75.6	81.6
Financial liabilities for other hedging derivatives (non current portion)	-	0.1
Financial liabilities for hedging derivatives on equity instruments	15.9	54.4
Other financial liabilities	6.3	12.1
Total	739.2	831.7

Due to banks (non current portion) refers to the portion of committed credit facilities maturing beyond 12 months and attributable to MFE-MEDIAFOREUROPE N.V. and Mediaset España S.A. These payables are recognised in the financial statements using the amortised cost method.

A breakdown of the **change** of EUR 42.1 million for the year is provided below:

- ▣ EUR 200 million nominal reclassified under Financial payables as two credit facilities maturing in 2023;
- ▣ early repayment of EUR 28 million nominal under the loan taken out by MFE-MEDIAFOREUROPE N.V. with Credit Suisse;
- ▣ reclassification under Financial payables (current) as the current portion of a EUR 14 million loan.;
- ▣ Opening of a new EUR 100 million nominal credit facility with Unicredit S.p.A.(maturing in May 2024)
- ▣ Opening of a new EUR 100 million nominal credit facility with Unicredit S.p.A.(maturing in January 2025)

Existing loans and credit facilities are subject to financial covenants which are assessed every six months on a consolidated basis. If any financial covenants are breached, both for the loans and credit facilities, MFE-MEDIAFOREUROPE N.V. could be called upon to repay all amounts drawn. As at 30 June 2022, these financial parameters

were satisfied in full. Based on current evidence, albeit in an environment characterised by high uncertainty, it is reasonable to expect these parameters to be satisfied in the next 12 months.

Payables to other lenders refer to loans received for film development, distribution and production activities.

IFRS 16 leases liabilities refers to the non-current portion of payables for leasing recognised in accordance with IFRS 16.

Financial liabilities for hedging derivatives on equity instruments relates to the call option granted to the financial counterparty as part of the collar contract hedging the fair value changes in the equity investment held in Prosiebensat.1 Media SE.

Other financial liabilities refers to the non-current portion of payables relating to the options to purchase non-controlling interests in subsidiaries.

6.4 FINANCIAL PAYABLES

	30/06/2022	31/12/2021
Loans	329.5	222.1
Credit lines	0.1	141.0
Total	329.6	363.1

Loans refer to the current portion of committed credit facilities. The change on the previous year was due to the reclassification of the EUR 200 million nominal in credit facilities falling due within 12 months and the repayment of credit facilities.

All **Credit lines** are subject to floating interest rates and refer to short-term loans with a due date set formally at one year and are renewable. The fair value of credit lines is in line with their carrying amount. The change compared to 31 December 2021 refers to a lower recourse to this type of financing.

6.5 OTHER FINANCIAL LIABILITIES

	30/06/2022	31/12/2021
Payables to other lenders	47.3	50.8
IFRS 16 financial payables	15.5	17.7
Financial liabilities for other hedging derivatives	1.7	1.3
Financial liabilities for hedging derivatives on equity instruments	-	13.6
Total	64.5	83.4

Payables to other lenders mainly consist of: cash pooling with associates and joint ventures totalling EUR 40.4 million (EUR 49.2 million at 31 December 2021); loans totalling EUR 0.3 million (EUR 0.4 million at 31 December 2021) received to finance movie development, distribution and production operations, and the current portion of debt relating to options to acquire non-controlling interest in subsidiaries.

In the line item **Financial liabilities for other hedging derivatives**, EUR 1.5 million refers to the non-current portion of the fair value of IRS derivatives hedging the interest rate risk associated with medium/long-term financial liabilities and EUR 0.2 million refers to the current portion of the fair value of derivatives hedging foreign currency risk, for the hedging of both future commitments to purchase broadcasting rights and of items recognised in the financial statements, in particular receivables and payables denominated in foreign currencies.

Financial liabilities for hedging derivatives on equity instruments as at 31 December 2021 related to the call option granted to the financial counterparty as part of the collar agreement hedging the fair value changes in the equity investment held in Prosiebensat.1 Media SE.

6.6 PROVISIONS AND CONTINGENT LIABILITIES

	EUR million	30/06/2022	31/12/2021
Period Opening Balance		119.0	114.0
Accruals		22.2	68.6
Utilization		(43.4)	(63.7)
Financial charges		0.1	0.1
Period Closing Balance		97.9	119.0
Of which:			
After 12 months		43.1	46.7
Within 12 months		54.8	72.3
Total		97.9	119.0

Risk provisions at 30 June 2022 mainly refer to legal proceedings totalling EUR 26.4 million (EUR 32.6 million at 31 December 2021), staff disputes and business restructuring plans totalling EUR 24.8 million (EUR 25.7 million at 31 December 2021) and contractual risks totalling EUR 41.2 million (EUR 54.5 million at 31 December 2021), of which risks related to the under-utilisation of artistic resources compared to contractual agreements totalling EUR 10.8 million (EUR 11.2 million at 31 December 2021).

Regarding the **proceedings concerning the subsidiary Mediaset España**, which are still open and awaiting settlement, below are summarized the facts already reported in the Consolidated Financial Statements at 31 December 2021.

As regards the **proceedings** of which Mediaset España S.A. was served notice on 21 February 2018 by the "Comisión Nacional de los Mercados y la Competencia" (CNMC) **for an alleged breach of Section 1 of the Spanish Competition Act and Article 101 of the Treaty on the Functioning of the European Union (TFEU)**, on 13 January 2020 Mediaset España had filed an administrative appeal against the Decision, calling for its effects to be immediately suspended as an interim measure, both in terms of the order to discontinue the conduct penalised and the payment of the fine handed down. By ordinance of 4 September 2020, the Audiencia Nacional froze the order to pay the fine, but did not freeze the order to stop the conduct sanctioned. As a result, the ordinance was appealed by Mediaset España and subsequently rejected by ordinance of 17 November 2020. This was then challenged in the Court of Cassation. On 19 May 2021, the Supreme Court dismissed the appeal. The administrative dispute has continued to be processed and is pending a final resolution. The serious defects of the Decision, together with the sound factual, legal and economic arguments expounded (as also supported by the reports of independent experts), should lead the requested interim measures to be granted. In any case, they allow us to trust that the decision appealed will be annulled in the courts. As a consequence, the Consolidated Statement of Financial Position at 30 June does not include any provision for this contingency, as the Directors (supported also on the opinion of the subsidiary's advisers) consider it improbable that this liability will ultimately materialise.

As regards **ordinary proceedings No. 1181/10 before the first instance court of Madrid**, Mediaset España filed, in a document dated 19 November 2010, an application for ordinary judgment against ITV, in which it applied to declare null and void the contract licensing the use of the format of television program Pasapalabra as well as two other related contracts: one for providing library programmes and another for developing television formats.

ITV rejected this claim by formulating a counterclaim and demanding that the Company be ordered to pay the consideration payable to it under the three contracts mentioned above, as well as compensation for damage suffered.

On 3 February 2014, the Court issued its judgment dismissing the appeal and partially upholding the counterclaim, and ordered Mediaset España to pay the sums claimed in the counterclaim for having breached the three agreements signed with ITV. These sums were then paid in the amount of approximately EUR 15 million.

Subsequently, the Provincial Court of Madrid, in a ruling dated 20 September 2016, partially upheld the appeal filed by Mediaset España, which reduced by about half the amount of the fine defined in the first instance.

This ruling was appealed by both parties in the Supreme Court, which admitted the appeal filed by Mediaset España and rejected the appeal filed by ITV. In its judgment dated 30 September 2019, the Supreme Court then dismissed the appeal filed by Mediaset España and upheld the judgment issued by the Madrid Provincial Court on 20 September 2016. The Supreme Court believes the criterion to be followed in determining the consideration owed by Mediaset España to ITV for the post-contractual use of the Pasapalabra format should correspond to the profit obtained by Mediaset España from using that format rather than some hypothetical royalty accruable to ITV in return for it being granted a licence. This compensation is to be determined during the enforcement of the judgment, by means of a specific procedure.

On 3 March 2022, two and a half years after the judgment was issued, Mediaset España was served a "Request for Enforcement" of the first instance court's judgment of 3 February 2014, which ordered Mediaset España to compensate ITV for the profits obtained in connection with the use of the format and title of the Pasapalabra program.

Mediaset España disagrees with the methods used by ITV to calculate this compensation, which do not in any way reflect how the television advertising market in Spain actually functions and which contain conceptual and approach errors on several counts, starting from the consideration that advertising revenues were calculated based on theoretical rates, that the advertising revenues generated in the time slot in which the Pasapalabra programme was broadcast should be attributed exclusively to that program and, finally, by considering the format and the programme to be equivalent. Serious conceptual and computational defects at the root of this lawsuit

Based on these considerations and on the well-established position taken by Mediaset España in these proceedings, the directors of Mediaset España, supported by internal quantification analyses reviewed by independent experts in the field, believe that the compensation that will be definitively determined by the competent court will be in line with the amounts already provisioned in previous years and confirmed in the Consolidated Statement of Financial Position at 30 June 2022.

In reference to **proceedings number 000401/2014-CR on the use by Mediaset España of the Pasapalabra format**, in a judgment of 4 March 2019 (the "Judgment") the Spanish Court of EU Trade Marks No 1 materially admitted the cumulative claims alleged by ITV Global Entertainment Limited ("ITV") against Mediaset España Comunicación, S.A. ("MES") in 2014 and 2016 and threw out the counterclaim filed by Mediaset against ITV regarding the last of the claims.

In its claims, ITV applied to be recognised as the owner of the European Union Trade Mark ("EUTM") "Pasapalabra", for MES to stop using the trade mark and for compensation to be paid for its alleged undue use.

Mediaset España, on the other hand, applied for the claims of ITV to be thrown out and for its counterclaim to be admitted, with the aim of cancelling ITV's registration of the EUTM, and applied for MES to be recognised as the owner of the EUTM given its contribution in getting the trade mark known throughout the past 14 years.

The Court found that ITV was the owner of the EUTM, despite acknowledging in its Judgment that the trade mark derived directly from the previous "Passaparola" trade mark, which was created by R.T.I. (Mediaset Italia)/Einstein

Multimedia without any role played by ITV, with this circumstance alone suggesting that the registration of the EUTM by ITV was conducted in bad faith.

By acknowledging ITV as the owner of the EUTM, the judgment sentenced Mediaset España to pay compensation of EUR 8.7 million for its supposed misuse of the EUTM since 2009. On 16 January 2020, the Provincial Court of Alicante issued its ruling on the judgment being appealed by Mediaset España. In this appeals ruling, although Mediaset España's claim to the ownership of the "Pasapalabra" trade mark was thrown out, the court considered that, as the format's title and trade mark had the same name (Pasapalabra), ITV could not have its compensation doubled by adding together the compensation resulting from the above-mentioned proceedings 1181/2010 brought before the Court of Madrid with the proceedings brought before the Alicante Court of Trade Marks. Therefore, two key components of the judgment appealed were overturned:

- The sentence ordering payment of compensation for the entire period between 3 August 2009 (when ITV applied to register the trade mark) and 1 February 2016 (when the application to register the trade mark was granted) was overturned, as the "reasonable compensation" to which ITV had been entitled was considered as though it had already been paid by the compensation ordered for the same period in the proceedings brought with the Court of Madrid.

- As for the compensation for the period between 2 February 2016 and the end of the Pasapalabra programming, the judgment determined that this amount should be deducted from the amount payable as compensation for the use of the format during the same period according to the enforcement proceedings brought before the Court of Madrid.

MES has brought an extraordinary appeal in the Supreme Court against the decision, which is currently in the process of being admitted. MES believes that compensation should only be paid where damage has been caused, which is not the case here as, even if any damage did exist, it would have been remedied by the compensation ordered in the above-mentioned proceedings 1181/10 brought before the first-instance court of Madrid. Furthermore, if we look at the licencing policy applied by ITV, we see that it charges a single amount for the format, title and trade mark, and therefore the payment for the trade mark has therefore already been included in the compensation described above.

As a consequence, the Consolidated Statement of Financial Position does not include any provision for this contingency, as the Directors, based on the opinions of their advisers, consider it improbable that this liability will ultimately materialise and trust that a decision will be rendered in their favour.

6.7 TRADE AND OTHER PAYABLES

	30/06/2022	31/12/2021
Trade and other payables	586.5	527.8
Due to related parties	76.2	69.2
Total	662.8	597.0

The change in Trade and other payables mainly refers to payables to TV rights suppliers.

Amounts *Due to related parties* include payables to associates, affiliates and the parent company. Details of these payables are provided in Note 10 below (Related-Party Transactions).

6.8 OTHER CURRENT LIABILITIES

	30/06/2022	31/12/2021
Due to social security institutions	17.6	18.8
Withholding tax on employees' wages and salaries	10.0	14.1
VAT payables	25.2	22.5
Other tax payables	11.6	13.9
Advances	7.1	6.0
Other payables	198.7	136.0
Accruals and deferred income	24.2	29.9
Total	294.3	241.2

The change in *Other payables* refers almost exclusively to the EUR 114.1 million in dividends approved by the Shareholders' Meeting of MFE-MEDIAFOREUROPE N.V. of 29 June 2022, which had yet to be paid at the reporting date of these Condensed Consolidated Interim Financial Statements and which has been paid on 21 September 2022.

Accruals and deferred income includes EUR 1.5 million in deferred income for right-of-use TV rights licensing.

6.9 NET FINANCIAL POSITION

Below is a breakdown of the **Net Financial Position** in accordance with ESMA's "Guidelines on disclosure requirements under the Prospectus Regulation" of 4 March 2021, showing the net current and non-current financial debt of the Group.

For a breakdown of changes in the Net Financial Position over the period, see the section on the Reclassified Cash Flow Statement in the Directors' Interim Report on Operations. As previously stated in the financial statements for previous years, the *adjusted* **Net Financial Position** used to calculate some indices is also reported, based on the covenants set forth in the main financing agreements. The adjustments refer to the current and non-current portions of the financial liabilities recognised pursuant to IFRS 16 (lease) and payables relating to the loans contracted by MFE and Mediaset España with Credit Suisse for the acquisition of the equity interest in ProSiebenSat1.

	30/06/2022	31/12/2021
Cash in hand	0.1	0.1
Current accounts and demand deposits	468.7	315.5
Liquidity	468.7	315.6
Current financial assets and receivables	7.9	12.9
Due to banks	(0.1)	(141.1)
Current portion of non current debt	(330.9)	(223.0)
Other current payables and financial liabilities	(58.5)	(68.6)
Current financial debt	(389.5)	(432.7)
Current Net Financial Position	87.2	(104.1)
Due to banks	(641.2)	(683.3)
Non-current financial payables and liabilities	(76.6)	(81.7)
Trade and other payables	-	-
Non current financial debt	(717.8)	(765.1)
Net Financial Indebtedness	(630.7)	(869.2)
IFRS 16 lease financial liabilities (current portion)	15.5	17.7
Financial payables (non-current)	52.3	80.8
IFRS 16 lease financial liabilities (non-current portion)	75.6	81.6
Net financial position (excluding IFRS 16 liabilities and ProSieben acquisition debt)	(487.3)	(689.1)

Below is a breakdown of certain Net Financial Position items, reported in accordance with the above-mentioned ESMA Guidelines, with comment where necessary on the main changes in the individual figures.

EUR 388.2 million in **Liquidity** refers to the Mediaset España Group.

Current financial assets and receivables mainly include EUR 2.8 million as the fair value of foreign exchange hedge derivatives and EUR 4.9 million of receivables from associate companies in relation to Mediaset España Group.

The **Current portion of non current debt** consists of the current portion of medium-long term credit facilities for EUR 329.4 million (EUR 222.0 million as at 31 December 2021) and the current portion of the fair value of derivatives used to hedge interest rates for EUR 1.5 million (EUR 1.0 million as at 31 December 2021). The change compared to 31 December 2021 mainly refers to the reclassification of the portion of payables due within the next 12 months.

The Group recognised trade payables due in more than 12 months for the acquisition of TV and film rights for a total of EUR 7.3 million and non-current payables for options on non-controlling acquisitions for a total of EUR 11.0 million. However, these have not been included in the Net Financial Position as the Directors believe that they do not have a significant implicit or explicit financing component in accordance with the "Guidance on Disclosure Requirements under the Prospectus Regulation" published by ESMA on 3 March 2021. The payables relating to the dividends resolved by the Shareholders' Meeting on 29 June 2022 and paid out after the end of the period are recorded for a total of EUR 114.1 million under *Other current liabilities*, and therefore are not included in the Net Financial Position.

In connection with the Voluntary Public Purchase and Exchange Offer for the entirety of shares in the subsidiary Mediaset España Comunicación SA (the "Offer") – as described in the "Significant events and transactions in the first half of the year" section of the Directors' Interim Report on Operations – and with its settlement based on the endorsements of the Offer notified on 7 July 2022, MFE had outstanding commitments as at 30 June 2022 concerning the issuance of 383,678,784 new MFE A-Class Shares (to be allotted to MES shareholders who accept the Offer) and commitments, covered by bank guarantees, to pay the EUR 184.2 million cash component. These commitments were executed and completed on 14 July 2022. Moreover, under the resolution passed by the Shareholders' Meeting of MFE on 29 June 2022 regarding the distribution of a gross ordinary dividend for the year 2021 of EUR 0.05 per ordinary class-A and class-B share in circulation on each coupon's anticipated ex-dividend date of 21 September 2022 (thus excluding treasury stock at that date), MFE assumed the commitment – based on the outcomes of the Offer – to recognise and pay this dividend to the shareholders who accepted the Offer, thus assuming a cash commitment of EUR 19.2 million, in addition to the payable recorded in the statement of financial position at 30 June 2022 which was determined based on the number of MFE A-Class and MFE B-Class shares in circulation on that date.

7. GUARANTEES AND COMMITMENTS

The overall amount of **guarantees received**, mainly bank guarantees, for receivables from third parties totalled EUR 8.5 million, of which EUR 5.8 million relate to the Mediaset España Group (EUR 13.3 million at 31 December 2021).

In addition, **bank guarantees** in favour of third-party companies were issued for a total amount of EUR 112.9 million (EUR 123.4 million at 31 December 2021). Of this amount, EUR 103.7 million relates to Mediaset España Group (EUR 123.4 million at 31 December 2021).

The main **commitments** of the MFE Group companies as at 30 June 2022 can be summarised as follows:

- ▣ commitments for the acquisition of television and movie broadcasting rights (free and pay), totalling EUR 725.9 million (EUR 846.4 million at 31 December 2021). These future commitments relate mainly to volume deal contracts of the MFE Group with some of the leading American TV producers.
- ▣ commitments for the acquisition and rental of contents of EUR 22.7 million, of which EUR 19.3 million due to associates (EUR 22.0 million at 31 December 2021).
- ▣ commitments for artistic projects, television productions and press agency contracts of approximately EUR 151.5 million (EUR 213.2 million at 31 December 2021), of which EUR 34.1 million due to Related Parties;
- ▣ commitments for digital broadcasting capacity services of EUR 26.0 million (EUR 25.2 million at 31 December 2021);
- ▣ contractual commitments for the use of satellite capacity of EUR 6.0 million (EUR 8.0 million at 31 December 2021);
- ▣ commitments to the EI Towers Group of approximately EUR 463.0 million (EUR 544.7 million at 31 December 2021) relating to the long-term contract for hospitality, support and maintenance services (full service), ending 30 June 2025.
- ▣ commitments for the purchase of new equipment, multi-year commitments for radio broadcasting towers, the supply of EDP services and commitments to trade associations for the use of intellectual property rights totalling EUR 276.6 million (EUR 234.3 million at 31 December 2021).

8. STATEMENT OF CASH FLOWS

8.1 OTHER PROVISIONS AND NON-CASH MOVEMENTS

This item refers primarily to provisions (net of utilisations) for risks, employee leaving entitlements and incentive plan costs, and to gains/losses on the disposal of tangible and intangible fixed assets and television and film broadcasting rights.

8.2 CHANGE IN OTHER ASSETS AND LIABILITIES

This item includes changes in *Other receivables and current assets*, *Post-employment benefit plans*, *Other current liabilities* and EUR 15.3 million as the exchange difference arising from the cash settlement of exchange rate hedging derivatives for the ineffective portion of the hedge.

8.3 PROCEEDS/(PAYMENTS) FROM HEDGING TRANSACTIONS

This item includes EUR 4.6 million in cash disbursement associated with the early termination of collar contracts entered into to hedge the equity investment in ProSiebenSat.1 Media SE.

8.4 INCREASES/(DECREASES) IN FINANCIAL ASSETS

In the first half of 2022, this item mainly referred to the following: EUR 30.6 million for the acquisition of a further 1.11% stake by MFE in ProSiebensat.1 Media SE; EUR 4.0 million for the acquisition of equity interests as part of the "AD4ventures" business; EUR 1.5 million for the acquisition of a 5% stake in Radio Digitale S.r.l., and EUR 6.1 million in proceeds from the cash pooling carried out on behalf of associates and joint ventures.

For the first half of 2021, this item mainly related to the EUR 103.9 million acquisition of a 3.25% stake in ProSiebensat.1 Media SE from Mediaset España S.A.

8.5 DIVIDENDS RECEIVED

This item refers to the EUR 34.5 million in dividends received from ProSiebensat.1 Media SE and the EUR 6.0 million in dividends received from EITowers S.p.A., with the remainder referring to the dividends received from associates and joint ventures.

During the same period of last year, this item referred to the EUR 133.9 million in dividends received from EITowers S.p.A., the dividends received from associates and joint ventures, and the EUR 24.2 million in dividends received from ProSiebensat.1 Media SE.

8.6 BUSINESS COMBINATIONS NET OF CASH AND CASH EQUIVALENTS ACQUIRED

The item refers to the cash outflow for Digitalia'08's acquisition from Mediamond of the business unit responsible for the direct management of radio advertising sales for Group broadcasters and some third-party broadcasters.

9. SEGMENT REPORTING

As required under IFRS 8, the following information relates to the operating segments identified on the basis of the Group's present organisational structure and internal reporting system.

The Group's main operating segments, already included in the analysis of results contained in the Interim Report on Operations, are the same as the geographical areas (Italy and Spain) identified according to the location of operations.

The following paragraphs contain the information and reconciliations required under IFRS 8 in relation to profits, losses, assets and liabilities, based on this segmentation process. The information can be extrapolated from the two sub-consolidated financial statements prepared at that level.

GEOGRAPHICAL SECTORS

The following tables report key financial information for the two geographical operational areas of Italy and Spain, at 30 June 2022 and 2021 respectively.

The tables have been prepared on the basis of specific sub-consolidated financial statements in which the carrying amounts of the equity investments held by companies belonging to a segment in companies belonging to another segment have been kept at their respective cost and eliminated upon consolidation. Likewise, in the sector income statement, income and expenses (relating to any dividends received from these investments) have been included under Income/(expenses) from other equity investments.

In particular, the inter-segment assets figures relate to the elimination of the equity investment recognised under the assets of the Italy geographic sector in Mediaset España.

Non-monetary expenses relate to the provisions and the costs of medium/long-term incentive plans.

1H 2022	ITALY	SPAIN	Eliminations/ Adjustments	MFE GROUP
MAIN INCOME STATEMENT FIGURES				
Revenues from external customers	973.5	415.0		1,388.5
Inter-segment revenues	1.1	0.2	(1.3)	-
Consolidated Net Revenues	974.6	415.2	(1.3)	1,388.5
	%	70%	30%	100%
OPERATING RESULT	17.1	95.8	(0.9)	112.0
Financial income/(losses)	15.2	20.2	-	35.4
Income/(expenses) from equity investments valued with the equity method	7.5	1.7	(0.0)	9.2
Income/(expenses) from other equity investments	-	-	-	-
PROFIT BEFORE TAX	39.8	117.8	(1.0)	156.6
Income taxes	(7.1)	(22.0)	(0.1)	(29.2)
NET PROFIT FOR THE PERIOD	32.6	95.8	(1.0)	127.4
Attributable to:				
- Equity shareholders of the parent company	32.7	95.0	(43.1)	84.6
- Non-controlling Interests	(0.1)	0.8	42.1	42.9
OTHER INFORMATION				
Assets	4,273.3	1,607.8	(518.6)	5,362.4
Liabilities	2,003.6	374.2	(2.7)	2,375.1
Investments in tangible and intangible non current assets (*)	170.8	58.0	-	228.8
Amortisation and depreciation	171.3	68.6	(0.3)	239.6
Other non monetary expenses	(8.9)	(0.3)	-	(9.2)

(*) Includes the change in "Advances for television rights acquisitions"

1H 2021	ITALY	SPAIN	Eliminations/ Adjustments	MFE GROUP
MAIN INCOME STATEMENT FIGURES				
Revenues from external customers	962.7	424.5	-	1,387.2
Inter-segment revenues	1.0	(1.0)	(0.0)	-
Consolidated Net Revenues	963.7	423.6	(0.0)	1,387.2
%	70%	31%		100%
OPERATING RESULT	94.6	103.8	0.3	198.7
Financial income/(losses)	21.2	4.4	0.0	25.6
Income/(expenses) from equity investments valued with the equity method	96.5	1.7	0.0	98.2
Income/(expenses) from other equity investments	-	0.0	-	0.0
PROFIT BEFORE TAX	212.3	110.0	0.3	322.6
Income taxes	(34.2)	(23.6)	(0.1)	(57.8)
NET PROFIT FOR THE PERIOD	178.1	86.4	0.2	264.7
Attributable to:				
- Equity shareholders of the parent company	178.9	85.4	(37.6)	226.7
- Non-controlling Interests	(0.8)	1.0	37.8	38.0
OTHER INFORMATION				
Assets	4,830.8	1,882.0	(517.0)	6,195.9
Liabilities	2,416.4	649.8	(1.8)	3,064.4
Investments in tangible and intangible non current assets (*)	175.9	50.2	-	226.1
Amortisation and depreciation	181.1	49.5	(0.3)	230.3
Other non monetary expenses	2.8	0.0	-	2.8

(*) Includes the change in "Advances for television rights acquisitions"

10. DISCLOSURES ON FINANCIAL INSTRUMENTS

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES, AND CALCULATION MODELS AND INPUT DATA USED

Fair value of financial assets and liabilities, and calculation models and input data used

Below is an analysis of the amounts corresponding to the fair value of assets and liabilities broken down based on the methodologies and the calculation models used to calculate them.

Note that the tables do not show those financial assets and liabilities whose carrying amount is very close to the fair value and that the fair value of derivatives represents the net position between assets and liabilities amounts.

The input data used to measure fair value at the reporting date, obtained from Bloomberg provider, were as follows:

- ▣ Euro curves for the estimation of forward rates and discount factors;
- ▣ Spot exchange rates of the ECB;
- ▣ Forward exchange rates calculated by Bloomberg;
- ▣ The fixing of the Euribor rate;
- ▣ The “mid” credit default swap (CDS) spread listed by various counterparties (if available);
- ▣ Credit spread of MFE-MEDIAFOREUROPE N.V. and Mediaset España S.A.

BALANCE SHEET ITEM at 30/6/2022	BOOK VALUE	Mark to Model			TOTAL FAIR VALUE	
		Mark to Market	Black&Scholes	Binomial model		DCF Model
Equity investments	538.3	538.3		-	538.3	
Trade receivables	4.8			4.7	4.7	
Due to banks	(970.8)			(1,000.6)	(1,000.6)	
M/L trade and other payables	(32.8)			(32.5)	(32.5)	
Hedging derivatives on equity instruments						
- Put	10.7	10.7			-	
- Call	(15.9)	(15.9)			-	
Cash flow hedging derivatives:						
- Forward	24.7			23.4	23.4	
- IRS contracts	7.4			7.4	7.4	

The fair value of securities listed on an active market is based on market prices at the reporting date. The fair value of securities not listed in an active market and trading derivatives is determined by using the most commonly used valuation models and techniques on the market or using the price provided by several independent counterparties, with reference to comparable listed securities prices.

The fair value of non-current financial payables has been calculated considering the credit spread of MFE-MEDIAFOREUROPE N.V. and also including the short-term component of the medium/long term loans.

For the trade receivables and payables expiring within 12 months, the fair value was not calculated since is very close to their carrying amount. As a result, the carrying amount stated for the receivables and payables for which the fair value was calculated also includes the portion due within 12 months of the reporting date. The calculation of the fair value of trade receivables only takes into account the creditworthiness of the counterparty when there is market information that can be used to determine it. With regard to trade payables, fair value has been adjusted taking into account the creditworthiness of MFE-MEDIAFOREUROPE N.V. and Mediaset España S.A..

The financial assets and liabilities measured at fair value are classified in the following table, based on the nature of financial parameters used in determining the fair value, on the basis of the fair value hierarchy envisaged by the standard:

- ▣ Level I: listed prices on active markets for identical instruments;
- ▣ Level II: variables other than listed prices in active markets that may be observed either directly (as in the case of prices) or indirectly (derived from the prices);
- ▣ Level III: variables that are not based on observable market values.

BALANCE SHEET ITEM at 30/6/2022	BOOK VALUE	level I	level II	Level III	TOTAL FAIR VALUE
Equity investments	538.3	513.3	25.0		538.3
Hedging derivatives on equity instruments					
- Put	10.7		10.7		10.7
- Call	(15.9)		(15.9)		(15.9)
Cash flow hedging derivatives:					
- Forward	24.7		24.7		24.7
- IRS contracts	7.4		7.4		7.4

11. RELATED-PARTY TRANSACTIONS

The following summary table shows, for the main income statement and balance sheet groupings, the details of the companies that are the counterparts of these transactions (identified in accordance with IAS 24 and grouped by type of relation):

	Revenues	Costs	Financial income / (expense)	Trade receivables	Trade payables	Other receivables/ (payables)
CONTROLLING ENTITY						
Fininvest S.p.A.	0.0	2.5	-	0.0	0.1	(58.1)
AFFILIATED ENTITIES						
Società Sportiva Monza 1912 S.p.A.	0.0	2.3	-	0.0	1.6	-
Arnoldo Mondadori Editore S.p.A.*	3.4	0.6	-	1.8	0.8	(0.1)
Fininvest Gestione Servizi S.p.A.	0.0	0.0	-	0.0	-	0.0
Mediolanum S.p.A.*	1.9	-	-	0.7	-	-
Other affiliated entities	-	0.2	-	-	-	-
Total Affiliated Entities	5.3	3.1	-	2.6	2.4	(0.1)
ASSOCIATES AND JOINT VENTURES						
Alea Media	0.0	0.7	(0.0)	-	0.7	2.5
Alma Productora Audiovisual SL	0.0	3.2	-	0.0	2.1	0.2
Auditel S.p.A.	-	4.9	-	-	0.1	-
Boing S.p.A.	3.5	10.1	(0.0)	2.5	6.8	(3.3)
Bulldog TV Spain SL	0.0	10.5	-	0.0	11.9	0.6
Campanilla Films SL	0.0	-	-	-	-	-
El Towers Group **	0.8	85.8	-	0.2	1.8	0.1
EURpean Broadcaster Exchange (EBX) Limited	0.4	-	-	0.4	0.2	-
Fascino Produzione Gestione Teatro S.r.l.	-	42.2	-	0.4	29.7	(26.1)
Fenix Media Audiovisual, SL	-	1.4	0.0	0.0	1.1	0.7
La Fabbrica De la Tele SL	0.0	15.4	-	0.0	9.2	0.1
Mediamond S.p.A.	17.2	1.1	-	20.9	1.5	(11.0)
Producciones Mandarin SL	0.0	2.1	-	0.0	1.9	-
Studio 71 Italia S.r.l.	0.0	0.3	-	0.0	0.0	-
SUPERGUIDATV S.r.l.	-	0.2	-	-	0.2	-
Titanus Elios S.p.A.	-	2.3	-	-	-	2.4
Tivù S.r.l.	0.2	0.7	-	0.1	0.4	3.4
Unicorn Content SL	0.0	10.7	-	0.0	6.3	0.5
Total Joint ventures and associates	22.2	191.8	0.0	24.6	73.7	(30.0)
KEY MANAGEMENT PERSONNEL***						
	-	6.3	-	-	-	(8.9)
SUPPLEMENTARY PENSION SCHEME (Mediafond)						
	-	-	-	-	-	(0.7)
OTHER RELATED PARTIES****						
	0.0	0.0	-	0.0	-	-
TOTAL RELATED PARTIES	27.6	198.3	0.0	27.2	76.2	(97.8)

* The figure includes the company and its subsidiaries, associates or jointly controlled companies

** The figure includes the company and its subsidiaries.

*** The figure includes the directors of MFE_MEDIAFOREUROPE N.V. and of Fininvest S.p.A., their close family members and companies in which these persons exercise control, joint control or significant influence or in which they hold, either directly or indirectly, a significant stake of no less than 20%, of the voting rights.

**** The figure includes relations with consortiums principally engaged in the management of television signal transmission.

Revenues and *trade receivables* due from associated entities mainly relate to the sales of television and online advertising space. *Operating costs* and *Trade payables* mainly refer to purchases of television productions and broadcasting rights and to the fees paid to associates for the sale of advertising space managed through exclusive concessions by Group companies, as well as the costs paid to associated entities for hospitality, assistance and maintenance services (full service).

Other receivables/(payables) mainly refers to intercompany current accounts and loans given to associates. This item also includes the EUR 58.1 million in dividends to parent company Fininvest S.p.A., paid on 21 September 2022 in accordance with the resolution passed at the MFE Shareholders' Meeting of 29 June 2022.

During the half-year, dividends were also received from associates and joint ventures for a total of EUR 14.6 million.

12. EVENTS AFTER 30 JUNE 2022

On **7 July 2022**, the CNMV announced the results of the **Public Purchase and Exchange Offer for shares in the subsidiary Mediaset España Comunicación SA** (the "Offer"), which was endorsed by 61.45% of the target shares. Following this outcome, MFE announced that it would waive the condition whereby the Offer would only go through subject to achieving the minimum endorsement threshold set at the Offer's launch (meaning that MFE's stake in MES would increase from 55.69% to 85%). Therefore, the Board of Directors of MFE resolved to issue 383,678,784 new MFE A-Class Shares, which would be allotted to the MES shareholders who endorsed the Offer.

Following the settlement of the Offer, which was completed on **14 July 2022**, MFE's share capital is EUR 800,206,984.38, divided into 2,705,734,997 MFE shares. These comprise 1,524,507,433 MFE A-Class Shares each with a par value of EUR 0.06 and each granting one voting right, and 1,181,227,564 MFE B-Class Shares each with a par value of EUR 0.60 and each granting ten voting rights.

As a result of this transaction, **MFE's controlling interest in MES will increase from 55.69% on 30 June to 82.92%**. The completion of this transaction represents a non-adjusting subsequent event and will be therefore recognized in the Group's financial statements in the second half of 2022

MES's shares continue to be listed on the Spanish Stock Exchange following the completion of the transaction. MFE may consider, no earlier than six months after the settlement of the Offer, proposing a merger between MES and MFE, whereby MES shareholders would exchange their shares in MES for MFE Ordinary A-Class Shares. In this scenario, MFE would commit to list the MFE Ordinary A-Class Shares on the Spanish Stock Exchange.

On **14 July 2022**, the Board of Directors of MFE completed its assessment of the terms and conditions set forth in the 2018-2020 medium-long term incentive plan regulation for the year 2019 and resolved to issue 1,771,602 MFE A-Class Shares which would be allocated to the Plan beneficiaries, in addition to the MFE A-Class Shares already held by the Company. Upon signing the deed and allocating the shares to the beneficiaries, MFE's share capital will be EUR 800,313,280.50, divided into a total of 2,707,506,599 MFE shares, of which 1,526,279,035 MFE A-Class Shares each with a par value of EUR 0.06 and each granting one voting right, and 1,181,227,564 MFE B-Class Shares each with a par value of EUR 0.60 and each granting ten voting rights. After having consulted the Nomination and Remuneration Committee, Mediaset's Board of Directors also determined the beneficiaries under the Medium/Long-Term Incentive and Loyalty Plan (2021-2023) established by resolution of the Shareholders' Meeting of 23 June 2021. The Board allocated those same beneficiaries their entitlements for 2022, the quantity of which were determined based on the criteria established in the Plan regulations approved by the Board of Directors during the meeting held on 27 July 2021 and amended following the introduction of the dual share class.

On **20 July 2022**, the Board of Directors of MFE resolved to reduce its share capital by launching a **share buy-back programme** (the "Programme") under Article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 (the "MAR") pursuant to and accordance with the authorisation granted to the Board of Directors by the ordinary shareholder's meeting held on 29 June 2022. This resolution provides for the purchase of up to 135,375,330 ordinary MFE shares – a combination of ordinary MFE Class-A shares and ordinary MFE Class-B shares, excluding treasury stock – in one or more transactions for a maximum sum of EUR 70 million. The Programme was launched on 25 July 2022 and will end by 30 November 2022. The Programme will be coordinated by a primary-standing intermediary, who will undertake the acquisitions of MFE Shares, entirely independently of the Company, at the time, price and volumes most appropriate. The acquisition price of the MFE Shares cannot exceed the higher of (a) the price of the last independent transaction of MFE A-Class Shares or MFE B-Class Shares (as the case may be) and, on the other, the price of the highest current independent offer made in the trading venue in which the MFE A-Class Shares or MFE B Shares are being acquired (as the case may be);

furthermore, on each trading day, the acquisitions of MFE Shares must not account for a volume greater than 25% of the daily average volume of MFE A-Class Shares and MFE B-Class Shares (as the case may be) in the trading venue in which they are being acquired. In addition, in accordance with the Authorisation and the implementing resolution of MFE's Board of Directors, the consideration for the acquisitions of MFE shares under the Programme (subsequent to the first purchase) must not exceed the lesser of (a) the maximum price limit established in the Authorisation and (b) 110% of the average price per MFE A-Class Share or MFE B-Class Share (as the case may be) of the acquisitions made under the Programme on the previous trading day, weighted by volume. The Programme may be suspended, discontinued or modified at any time, for any reason and without notice, in accordance with applicable law and regulations. On the Programme start date, MFE directly owned 38,627,313 MFE B-Class Shares, representing 2.896% of MFE's nominal issued share capital. MFE Shares are not owned by any subsidiary of MFE.

LIST OF EQUITY INVESTMENTS INCLUDED IN THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2022

Companies consolidated on a line-by-line basis	Registered Office	Currency	Share capital	% held by the Group (*)
MFE-MEDIAFOREUROPE N.V.	Amsterdam	EUR	777.2	0.00%
Mediaset Investment N.V.	Amsterdam	EUR	0.2	100.00%
Mediaset S.p.A.	Milan	EUR	0.1	100.00%
Publitalia '80 S.p.A.	Milan	EUR	52.0	100.00%
Beintoo S.p.A.	Milan	EUR	0.0	80.00%
Digitalia '08 S.r.l.	Milan	EUR	10.3	100.00%
Publieurope Ltd.	London	GBP	5.0	100.00%
Adtech Ventures S.p.A.	Milan	EUR	0.1	77.85%
R.T.I. S.p.A.	Rome	EUR	500.0	100.00%
Elettronica Industriale S.p.A.	Lissone (MB)	EUR	363.2	100.00%
Medusa Film S.p.A.	Rome	EUR	120.0	100.00%
Monradio S.r.l.	Milan	EUR	3.0	100.00%
Taodue S.r.l.	Rome	EUR	0.1	100.00%
Medset Film S.a.s.	Paris	EUR	0.1	100.00%
R2 S.r.l.	Milan	EUR	0.1	100.00%
Radio Mediaset S.p.A.	Milan	EUR	7.4	100.00%
Radio Studio 105 S.p.A.	Milan	EUR	0.8	100.00%
Radio Aut S.r.l.	Loc. Colle Bensi (PG)	EUR	0.0	100.00%
Radio Subasio S.r.l.	Assisi (PG)	EUR	0.3	100.00%
RMC Italia S.p.A.	Milan	EUR	1.1	100.00%
Virgin Radio Italy S.p.A.	Milan	EUR	10.1	99.99%
Mediaset España Comunicaciòn S.A.	Madrid	EUR	168.4	55.69%
Advertisement 4 Adventure, SLU	Madrid	EUR	0.0	55.69%
Publiespaña S.A.U	Madrid	EUR	0.6	55.69%
Publimedia Gestion S.A.U.	Madrid	EUR	0.1	55.69%
Netsonic S.L	Barcelona	EUR	0.0	55.69%
Aninpro Creative SL	Madrid	EUR	0.0	28.40%
Be a Iguana S.L.U.	Madrid	EUR	0.0	28.40%
Be a Tiger S.L.U	Madrid	EUR	0.0	28.40%
Engage 2021 SLU	Madrid	EUR	0.0	28.40%
Social 15D 2021 SLU	Madrid	EUR	0.0	28.40%
Social Halo 2021 SLU	Madrid	EUR	0.0	28.40%
Grupo Audiovisual Mediaset España Comunicaciòn S.A.U.	Madrid	EUR	0.6	55.69%
Grupo Editorial Tele 5 S.A.U.	Madrid	EUR	0.1	55.69%
Conecta 5 Telecinco S.A.U.	Madrid	EUR	0.1	55.69%
Mediacinco Cartera S.L.	Madrid	EUR	0.1	55.69%
Produccion y Distribucio de Contenidos Audiovisuales Mediterraneo SLU	Madrid	EUR	0.3	55.69%
Telecinco Cinema S.A.U.	Madrid	EUR	0.2	55.69%
El Demarque Portal Deportivo SL	Seville	EUR	0.0	44.55%
Megamedia Television S.L.	Madrid	EUR	0.1	55.69%
Supersport Television S.L.	Madrid	EUR	0.1	34.81%

Associates and joint ventures

	Registered Office	Currency	Share capital	% held by the Group (*)
Agrupación de Interés Económico Furia de Titanes II A.I.E.	Santa Cruz de Tenerife	EUR	0.0	18.93%
Alea La Maleta, S.A	Madrid	EUR	0.1	22.28%
Alea Media SA	Madrid	EUR	0.1	22.28%
Alea Silencio SLI	Madrid	EUR	0.0	22.28%
Alma Productora Audiovisual S.L.	Madrid	EUR	0.0	16.71%
Auditel S.r.l.	Milan	EUR	0.3	26.67%
Boing S.p.A.	Milan	EUR	10.0	51.00%
Bulldog TV Spain SL	Madrid	EUR	0.0	16.71%
Campanilla Film SL	Madrid	EUR	0.0	16.71%
Dr Podcast Audio Factory Limited	London	GBP	0.1	30.00%
El Towers S.p.A.	Lissone (MB)	EUR	2.8	40.00%
EIT Radio S.r.l.	Lissone (MB)	EUR	0.0	40.00%
Hightel One S.r.l.	Rome	EUR	0.1	40.00%
Prais Gest S.r.l.	Borgosatollo (BS)	EUR	0.1	40.00%
EIT Smart S.r.l	Lissone (MB)	EUR	0.0	40.00%
European Broadcaster Exchange (EBX) Limited	London	GBP	1.5	19.46%
Fascino Produzione Gestione Teatro S.r.l.	Rome	EUR	0.0	50.00%
Fenix Media Audiovisual SL	Madrid	EUR	0.0	16.70%
Horizon Media International Sarl	Luxembourg	EUR	0.0	34.12%
La Fabrica De La Tele S.L.	Madrid	EUR	0.0	16.71%
Mediamond S.p.A.	Milan	EUR	2.4	50.00%
Nessma S.A.	Luxembourg	EUR	11.3	34.12%
Nessma Broadcast S.A.	Tunis	TND	1.0	32.27%
Producciones Mandarina S.L.	Madrid	EUR	0.0	16.71%
Studio Woow S.r.l.	Cologno Monzese (MI)	EUR	0.1	49.00%
Superguidatv S.r.l.	Naples	EUR	1.4	49.00%
Titanus Elios S.p.A.	Rome	EUR	5.0	30.00%
Tivù S.r.l.	Rome	EUR	1.0	48.16%
Unicorn Content SL	Madrid	EUR	0.0	16.71%

Other equity investments

	Registered Office	Currency	Share capital	% held by the Group (*)
Aranova Freedom S.C.aR.L	Bologna	EUR	0.0	16.66%
Ares Film S.r.l.	Rome	EUR	0.1	5.00%
Audiradio S.r.l. (in liquidation)	Milan	EUR	0.0	10.00%
Blooming Experience SL	Valencia	EUR	0.0	3.70%
ByHours Travel S.L.	Madrid	EUR	0.0	5.13%
Club Dab Italia Società Consortile per Azioni	Milan	EUR	0.2	12.50%
Gilda S.r.l.	Milan	EUR	0.0	10.31%
Innovación y desarrollo de Nuevos Canales Comerciales, SL	Madrid	EUR	0.0	4.10%
Itravel Group SA	Luxembourg	EUR	0.1	2.00%
Kirch Media GmbH & Co. Kommanditgesellschaft auf Aktien	Unterföhring (Germany)	EUR	55.3	2.28%
Letisan S.r.l.	Milan	EUR	0.0	8.30%
Pascal Srl	Albosaggio (SO)	EUR	0.0	5.50%
Pensium SL	Barcelona	EUR	0.0	3.41%
Peoople Unlimited, SL	Madrid	EUR	0.0	0.10%
Player Editori Radio S.r.l.	Milan	EUR	0.0	15.40%
ProSiebenSat.1 MEDIA SE	Unterföhring (Germany)	EUR	226.1	19.16%
Radio e Reti S.r.l.	Milan	EUR	1.0	10.00%

Rebelle AB	Stockholm	EUR	0.1	5.21%
Radio Digitale S.r.l.	Bergamo	EUR	0.0	5.00%
Romaintv S.p.A. (in liquidation)	Rome	EUR	0.8	13.64%
Satsipay S.p.A.	Milan	EUR	0.6	0.80%
Società Funivie Maddalena SpA	Brescia	EUR	0.1	12.40%
Spotted GmbH	Mannheim (Germany)	EUR	0.1	4.62%
Springlane GmbH	Dusseldorf	EUR	0.1	5.23%
Tavolo Editori Radio S.r.l.	Milan	EUR	0.0	16.04%
Telesia S.p.A.	Rome	EUR	1.8	3.86%
Termo S.p.A.	Milan	EUR	0.3	9.28%
Videowall S.r.l.	Milan	EUR	0.0	15.00%
Westwing Group GmbH	Munich	EUR	0.1	0.22%
Zanvidio Ltd	Limassol (Cyprus)	EUR	0.0	0.56%

(*) The Group's shareholding is calculated by taking into account the stake directly and indirectly held by the Parent Company at 30 June 2022, without taking into account the treasury shares of subsidiaries and investees.

MFE-MEDIAFOREUROPE N.V. GROUP
STATEMENT OF COMPLIANCE
BY THE BOARD OF DIRECTORS

The Board of Directors is responsible for preparing the half-yearly financial report, including the condensed interim consolidated financial statements and the Directors' report, pursuant to Dutch Financial Supervision Act and in accordance with the applicable International Financial Reporting Standards (IFRS) for IAS34-Interim Financial Statements. Pursuant to Section 5:25d, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors declares that, to the best of its knowledge, the condensed interim consolidated financial statements prepared in accordance with the accounting standards applied, give a true and fair view of the assets, liabilities, financial position and profit and loss account for the period of MFE-MEDIAFOREUROPE N.V. and its subsidiaries, and of the companies included in the consolidation as a whole, and that the Directors' Interim Report on Operations gives a true and fair view of the information required under Section 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act.

September 27th, 2022

BOARD OF DIRECTORS

Fedele Confalonieri
Chairman

Pier Silvio Berlusconi
Chief Executive Officer

Marco Giordani
*Executive Director and
Chief Financial Officer*

Stefania Bariatti
Non-Executive Director

Marina Berlusconi
Non-Executive Director

Marina Brogi
Non-Executive Director

Raffaele Cappiello
Non-Executive Director

**Costanza Esclapon
de Villeneuve**
Non-Executive Director

Giulio Gallazzi
Non-Executive Director

Gina Nieri
Executive Director

Danilo Pellegrino
Non-Executive Director

Alessandra Piccinino
Non-Executive Director

Niccolo' Querci
Executive Director

Stefano Sala
Executive Director

Carlo Secchi
Non-Executive Director

MFE-MEDIAFOREUROPE N.V. GROUP
AUDITORS'
REPORT ON REVIEW OF CONDENSED
CONSOLIDATED INTERIM FINANCIAL
STATEMENTS

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Audit Committee and Board of Directors of MFE-MediaForEurope N.V.

Our conclusion

We have reviewed the accompanying condensed interim financial statements for the period from 1 January 2022 to 30 June 2022 of MFE-MediaForEurope N.V.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information for the period from 1 January 2022 to 30 June 2022 of MFE-MediaForEurope N.V is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

The interim condensed financial statements comprises:

- The condensed consolidated interim statement of financial position as at 30 June 2022.
- The condensed consolidated interim income statement for the period from 1 January 2022 to 30 June 2022.
- The condensed consolidated interim statement of comprehensive income from 1 January 2022 to 30 June 2022.
- The condensed consolidated interim statement of cash flows 1 January 2022 to 30 June 2022.
- The condensed consolidated interim statement of changes in Shareholder's Equity as at 30 June 2022.
- The explanatory notes to the condensed consolidated interim financial statements at 30 June 2022.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, 'Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit' (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the interim financial information' section of our report.

We are independent of MFE-MediaForEurope N.V in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Board of Directors for the interim financial information

The Board of Directors are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the interim financial information that are free from material misstatement, whether due to fraud or error.

Our responsibilities for the review of the interim financial information

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a limited assurance engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- Updating our understanding of the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the interim financial information where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion.
- Obtaining an understanding of internal control, as it relates to the preparation of the interim financial information.
- Making inquiries of management and others within the entity.
- Applying analytical procedures with respect to information included in the interim financial information.
- Obtaining assurance evidence that the interim financial information agrees with or reconciles to the entity's underlying accounting records.
- Evaluating the assurance evidence obtained.
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle.
- Considering whether management has identified all events that may require adjustment to or disclosure in the interim financial information.

- Considering whether the interim financial information has been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Amsterdam, 27 September 2022

Deloitte Accountants B.V.

Signed on the original: M.R. van Leeuwen