

**THE BOARD OF DIRECTORS OF MFE–MEDIAFOREUROPE N.V.
APPROVES RESULTS FOR FIRST QUARTER OF 2023:
NET PROFIT AND EBIT UP
REVENUES STABLE**

KEY FIGURES FOR MFE-MEDIAFOREUROPE N.V.

Consolidated net revenues: €646.6 million

Operating profit (EBIT): €19.3 million

Net profit: €10.1 million

Tv ratings: record in Italy and leadership in Spain

The Board of Directors of the MFE-MEDIAFOREUROPE N.V. (MFE) Group, under the chairmanship of Fedele Confalonieri, has unanimously approved the interim financial report for the first quarter of 2023.

Despite the unstable environment, marked by the ongoing conflict in Ukraine and high inflationary pressures, the Group's financial results for the first three months of 2023 were distinctly positive. Advertising revenues remained stable despite the comparison with the first three months of 2022, when the conflict and its consequences had not yet had an impact. The figure is higher than in Q1 2021, making it a particularly strong result. Furthermore, by maintaining strict cost control despite overheating inflation, MFE was able to achieve a growing consolidated net profit and a reduction in debt thanks to the significant free cash flow generation.

Below is a summary of the Group's key results for the first quarter of 2023, also broken down by geographical segment.

GROUP

• **Consolidated net revenues** remained substantially stable at **€646.6 million** compared to €654.3 million in the first quarter of 2022.

Gross advertising revenues were stable at **€629.5 million** compared to €635.9 million in the first three months of 2022 and Other revenues amounted to **€93.4 million** (€94.1 million in the same period of 2022).

• **Total consolidated operating costs** (personnel costs, costs for purchases, services and other charges, and amortisation, depreciation and impairment of rights and other fixed assets) amounted to **€627.3 million**, down compared to €639.0 million in the first quarter of 2022.

• **The Group's operating result (EBIT)** was positive at **€19.3 million** compared to €15.3 million in the first quarter of 2022.

• The consolidated **net profit** grew decisively to **€10.1 million** compared to €2.7 million in the same period of 2022, also benefiting from the increase in MFE's stake in Mediaset España, which rose to 84.45% compared to 55.69% in the first quarter of 2022.

• **Consolidated net financial debt** as at 31 March 2023 amounted to **€731.7 million**, an improvement compared to the €873.3 million of the previous year. It should be noted that disbursements of €15.5 million were incurred in the quarter relating to the acquisition of additional minority interests (1.53%) in Mediaset España. Excluding the liabilities recognised starting from 2019 under IFRS 16 and the disbursements for the equity investments in ProSiebenSat.1, the adjusted net financial debt stood at **€593.2 million**.

• **Free cash flow** was positive at **€158.9 million** compared to €222.4 million in the first three months of 2022.

ITALY

- **Consolidated net revenues** amounted to **€465.2 million** compared to €466.3 million in the previous year.

Gross advertising revenues reached **€462.7 million (+0.4%)** compared to €460.9 million in the same period of 2022. This was a decidedly positive result, as it exceeded the level of advertising revenues in the first quarter of 2022 when MFE had already started to see marked growth (+2.0%), unlike its main competitors. Gross advertising revenues in the first quarter of the year even exceeded those recorded in the same period of 2021.

According to Nielsen surveys, in 2023 the advertising market grew by 3.1% in the first quarter – which is seasonally more favourable for public competitors – driven in particular by radio and digital media and other smaller sectors (out-of-home, cinema) that have not yet recovered to pre-pandemic investment levels.

- **Total consolidated operating costs** (personnel costs, costs for purchases, services and other charges, and amortisation, depreciation and impairment of rights and other fixed assets) amounted to **€474.8 million**, down compared to €481.1 million in 2022.

- **Operating result (EBIT)** improved to **-€9.6 million**, compared with -€14.7 million in 2022.

- **TV ratings.** In the first three months of 2023, Mediaset networks maintained their clear leadership in the commercial target audience with the best quarterly audience growth (+0.8 points over the 24-hour period) compared to all competing broadcasters. Even overall, the Mediaset networks retained their undisputed leadership of the 15-64 year-old target audience in all the main time slots, with a peak share of **41.1%** over the **24-hour period**. Notably, **Canale 5** ranked first and **Italia 1** ranked third in the commercial target audience for all time slots.

SPAIN

- **Consolidated net revenues** amounted to **€181.5 million**, compared with €188.0 million in the same period of 2022.

Gross advertising revenues amounted to **€166.8 million**, compared with €175.1 million in the first quarter of 2022. Following the first two months, which were negative due to the difficult market environment, the trend has been one of gradual recovery since the month of March. The result confirms the leading position of the Group's TV channels in the reference market.

Total consolidated operating costs (personnel costs, costs for purchases, services and other charges, and amortisation, depreciation and impairment of broadcasting rights and other fixed assets) amounted to **€152.7 million**, down compared to €158.1 million in the same period of the previous year.

- **The operating result (EBIT)** remained positive at **€28.8 million** compared to €29.9 million in the first quarter of the previous year.

- **TV ratings.** In the first three months of 2023, the Group's channels recorded a 29.4% share of the commercial target audience in daytime and a 28.5% share over the 24-hour period – a significant upswing compared to ratings figures in the last quarter of 2022.

EXPECTATIONS FOR THE FULL YEAR

In Italy, advertising sales in the first part of the second quarter continued the positive trend of the first three months, supported by the excellent TV ratings performance.

In Spain, after a difficult start in the first two months of the year, April saw a consolidation of the recovery that had begun in March, in this case also supported by excellent broadcasting results.

Even though the economic environment remains weak and uncertain – including the possibility of further interest rate hikes by the ECB and the limited visibility on the evolution of the advertising market – the structural trends are in line with the expectations outlined at the beginning of the year. It should be borne in mind that in the second and subsequent quarters, advertising revenues in both of the Group's business areas will be compared to quarters which last year reported declines due to the onset of the conflict in Ukraine. In addition, the last quarter was partly affected by the World Cup in Qatar, for which the Group did not hold the broadcasting rights.

In the coming months, the Group will continue to focus on a careful balance between effectiveness, innovation, digitalisation and cost control of its local broadcasting offerings.

In addition, following the further consolidation of its stake in ProSiebenSat1 in May, MFE confirms its role as a long-term shareholder in this company.

Regarding this investment, following the revision of the dividend policy announced by ProSiebenSat1, the Shareholders' Meeting of 30 June will consider the proposal to pay a single dividend of €0.05 per share (compared to €0.80 per share paid in 2022), which would result in income for MFE of approximately €3 million in 2023, based on the current direct shareholding – much lower than the €42 million received in 2022.

Based on the information available, the expectation of achieving an annual consolidated EBIT, net profit and free cash flow is therefore confirmed.

Finally, the merger by incorporation of Mediaset España Comunicación SA into MFE became effective as of the second quarter. The Group's operations in Spain – now managed by Grupo Audiovisual Mediaset España Comunicación SA – will therefore be fully consolidated by MFE from the second quarter onwards.

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MFE-MEDIAFOREUROPE is an international holding company that brings together Europe's leading commercial broadcasters.

MFE-MEDIAFOREUROPE is based in Amsterdam, in the Netherlands, and fiscal resident in Italy. It controls Mediaset SpA and Grupo Audiovisual Mediaset España Comunicación SAU (both fiscal resident in their respective countries) and is the main shareholder of the German broadcaster ProSiebenSat1.

MFE-MEDIAFOREUROPE is listed on the Milan Stock Exchange (Ticker: MFEA, MFEB).

MFE GROUP Reclassified Income Statement

	1st Quarter 2023	1st Quarter 2022
Consolidated net revenues	646.6	654.3
Personnel expenses	(117.3)	(115.7)
Purchases, services, other costs	(395.3)	(402.7)
Operating costs	(512.7)	(518.4)
Gross Operating Result (EBITDA)	133.9	136.0
TV rights amortisation	(94.1)	(98.4)
Other amortisation, depreciation and impairments	(20.6)	(22.3)
Amortisation, depreciation and impairments	(114.7)	(120.7)
Operating result (EBIT)	19.3	15.3
Financial income/(losses)	(5.6)	(4.0)
Result from investments accounted for using the equity method	2.9	3.9
Profit Before Tax (EBT)	16.5	15.2
Income taxes	(2.1)	(1.8)
Non-controlling interests in net profit	(4.3)	(10.7)
Net profit	10.1	2.7

MFE Group Reclassified balance sheet

	31-Mar-23	31-Dec-22
TV and movie rights	818.3	775.3
Goodwill	804.2	804.2
Other tangible and intangible non-current assets	763.6	785.1
Equity investments and other financial assets	1,017.1	956.4
Net working capital and other assets/liabilities	320.0	496.4
Post-employment benefit plans	(49.8)	(50.5)
Net invested capital	3,673.4	3,766.8
Group shareholders' equity	2,728.1	2,667.9
Non-controlling interests	213.6	225.7
Shareholders' equity	2,941.7	2,893.6
Net Financial Position Debt/(Liquidity)	731.7	873.3

Alternative Performance Measures (non-GAAP): definitions

These materials contain certain alternative performance measures (APMs) that are not defined in the IFRS (non-GAAP measures). These measures, which are described below, are used to analyse the Group's business performance and where applicable comply with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority ('ESMA') in its communication ESMA/2015/1415.

The alternative performance measures listed below should be used to supplement the information required under IFRS to help readers of annual financial statements to gain a better understanding of the Group's economic, financial and capital position.

Alternative performance measures can serve to facilitate comparison with groups operating in the same sector, although, in some cases, the calculation method may differ from those used by other companies. They should be viewed as complementary to, and not replacements for, the comparable GAAP measures and movements they reflect.

Consolidated net revenues determined as the sum of Revenues and Other Income to represent in an aggregate manner the positive components of income generated by the core business and have a reference measure for determining the main indicators of operating and net profitability.

Operating Result (EBIT) is the typical intermediate measure of economic performance reported in the Consolidated statement of income as an alternative to the IFRS performance measure represented by the Net Result for the year. EBIT shows the Group's ability to generate operating income without taking into account financial management, the valuation of shareholdings and any tax impact. This measure is obtained starting from the net result for the year, adding income taxes, subtracting or adding up the items Financial income, Financial expenses and the Result from investments accounted for using the equity method.

Net Financial Position represents the consolidated financial debt net of its cash, cash equivalents and other financial assets and it is the synthetic indicator used by management to measure the Group's ability to meet its financial obligations.

Free Cash Flow is a summary measure used by management to measure the net cash flow from operating activities. It 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.

IMPORTANT INFORMATION**Market Abuse Regulation**

This press release contains information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Presentation

The financial information included in this document is presented in millions of euros. Changes were calculated using figures in thousands and not figures rounded to the nearest million. All figures in this document are unaudited.

Forward-looking Statements

This document contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995 concerning the financial condition, results of operations and businesses of the Group. These forward-looking statements and other statements contained in this document materials regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

There are a number of factors that could affect the Group's future operations and could cause those results to differ materially from those expressed in the forward-looking statements including (without limitation): (a) competitive pressures and changes in consumer trends and preferences as well as consumer perceptions of its brands; (b) global and regional economic and financial conditions, as well as political and business conditions or other developments; (c) interruption in the Group's manufacturing and distribution facilities; (d) its ability to successfully innovate, develop and launch new products and product extensions and on effectively marketing its existing products; (e) actual or alleged non-compliance with applicable laws or regulations and any legal claims or government investigations in respect of the Group's businesses; (f) difficulties associated with successfully completing acquisitions and integrating acquired businesses; (g) the loss of senior management and other key personnel; and (h) changes in applicable environmental laws or regulations.

The forward-looking statements contained in this document are valid only until the date of publication.

The Group is under no obligation (and expressly refutes any such obligation to) to revise or update any forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

The Group cannot give any assurance that forward-looking statements will prove correct, and investors are cautioned not to place undue reliance on any forward-looking statements. Further details of potential risks and uncertainties affecting the Group are described in the Company's filings with the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten)

Market and Industry Data

All references to industry forecasts, industry statistics, market data and market share in this document are based on estimates compiled by analysts, competitors, industry professionals and organisations in the sector, as well as publicly available information or of the Group's own assessment of its markets and sales. Rankings are based on revenue, unless otherwise stated.