



**INTERIM FINANCIAL REPORT
AT 30 SEPTEMBER 2022**

MEDIAFOREUROPE N.V.

Registered Office: Amsterdam, Netherlands

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

Share Capital: EUR 800,313,280.50

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

Italian Tax Code and VAT Number: IT 09032310154

Website: <https://www.mfediaforeurope.com/>

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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			9M 2022		9M 2021	
EUR M	%		EUR M	%	EUR M	%
2,914.3	100%	Net Consolidated Revenues	1,900.1	100%	1,992.7	100%
2,038.4	70%	Italy	1,310.9	69%	1,388.9	72%
876.3	30%	Spain	590.5	31%	603.8	28%
418.0		Operating Result (EBIT)	97.6		275.0	
192.1		Italy	(14.4)		135.0	
225.3		Spain	112.9		139.6	
374.1		Group Net Result	78.5		273.8	

MAIN BALANCE SHEET AND FINANCIAL DATA

31-Dec-21			30-Sep-22		30-Sep-21	
EUR M			EUR M		EUR M	
4,099.5		Net Invested Capital	3,586.1		4,093.2	
3,230.3		Total Net Shareholders' Equity	2,708.8		3,173.7	
2,661.8		Group Shareholders' Equity	2,499.0		2,616.0	
568.5		Minority interests	209.8		557.7	
869.2		Net Financial Position Debt/(Liquidity)	877.3		919.5	
507.3		Free Cash Flow	359.1		423.6	
396.0		Investments	306.7		306.8	
340.6		Dividends paid by the Parent Company	133.0		340.6	
-		Dividends paid by Subsidiaries	0.9		1.5	

PERSONNEL (*)

31-Dec-21			30-Sep-22		30-Sep-21	
	%			%		%
4,887	100%	Workforce (headcount)	4,903	100%	4,929	100%
3,292	67%	Italy	3,349	68%	3,370	68%
1,595	33%	Spain	1,554	32%	1,559	32%

(*) Includes temporary and permanent workforce

INTRODUCTION

This Interim Financial Report, which has been drawn up voluntarily to provide continuous and regular information on the Group's quarterly consolidated economic and financial performance, has been prepared in accordance with international accounting standards (IAS/IFRS) and in line with the measurement and estimation criteria applied in preparing the Consolidated Financial Statements for the year ended 31 December 2021, to which readers are referred.

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

The income statement and balance sheet figures set forth below are presented in a manner consistent with the Report on Operations accompanying the annual Consolidated Financial Statements. As such, figures have been summarised and restated to highlight the interim aggregates considered most significant to understand the performance of the Group and its main business sectors. The alternative performance measures used in these statements are briefly described in the section entitled "Alternative Performance Indicators" at the end of this Interim Financial Report.

The earnings and financial figures contained in this Report refer to the first nine months of 2022 and 2021. Balance sheet figures are stated as at 30 September 2022 and as at 31 December 2021.

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

This Interim Financial Report has not been audited.

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 completion of 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 and in the "Risks and Uncertainties for the Remainder of the Year" section of the Interim Financial Report at 30 June 2022. These factors may not be exhaustive and should be read in conjunction with the other precautionary statements included in the annual and half-yearly reports. 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 report beyond its statutory disclosure requirements.

SIGNIFICANT EVENTS AND TRANSACTIONS IN THE THIRD QUARTER

On **7 July 2022**, the CNMV announced the results of the **Voluntary Public Purchase and Exchange Offer for shares in the subsidiary Mediaset España Comunicación SA** (the "Offer"), which 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.

As a result of this transaction, MFE's controlling interest in MES increased from 55.69% on 30 June to 82.92%. The transaction was recognised in MFE's consolidated financial statements as an equity transaction. Therefore, the EUR 20.8 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 171.9 million fair value of the newly issued MFE A-Class Shares as at the effective transaction date) and the net book value of the non-controlling interest in MES at 30 June 2022 on the other (27.23%), is recognised as a reduction of Other Reserves in Group shareholders' equity.

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. At 30 September 2022, a total of 43,285,316 MFE A-Class Shares (representing 0.3245% of MFE's nominal issued share capital) had been purchased against a total consideration of EUR 17.1 million.

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

Under Ministerial Decree of 17 November 2021 (published in the Official Gazette on 8 February 2022), network operators are entitled to grants covering 80% of their eligible upgrade costs incurred between 1 December 2020 and 8 February 2022 for the refarming of frequencies to prepare for the transition of facilities to the new DVB-T2 broadcasting standard. On 29 September, Elettronica Industriale was reimbursed a sum of EUR 29.8 million, corresponding to the rate of 70% relative to the full-rate reimbursement of EUR 34.1 million approved by decree of 27 June 2022. The outstanding amount will be disbursed together with any further reimbursements due for interventions made after 8 February 2022, against applications submitted by 31 December 2022.

SUMMARY OF OPERATING PERFORMANCE AND KEY FINANCIAL RESULTS

During the third quarter of this year, the landscape globally – and in the eurozone in particular – continued to be epitomised by lasting uncertainty and deepening signs of gradual economic slowdown. This was accompanied by rising inflation brought about by exceptional hikes in the prices of energy raw materials as the geopolitical crisis triggered by the conflict in Ukraine, which has been ongoing since late February, did not subside. Just as in the second quarter, this economic climate led advertising investment to contract in the sectors most exposed to the crisis. This had some repercussions on the Group's advertising revenues, albeit only to a moderate extent since, structurally, advertising investment tends to be lower during the period under review anyway.

In the third quarter, the Group's consolidated gross advertising revenues across its two geographic areas of reference was down by -8.4% on the same period of last years, when revenues had grown by +1.5% compared to 2020 amidst a trend of strong post-pandemic recovery. Despite the challenging landscape that persisted in both Italy and Spain at the end of the nine-month period, MFE strengthened its share of the advertising market thanks to its continued leadership in TV advertising among the commercial target audience. When compared with the same period of last year, advertising revenues in Spain were affected by the fact that last year's figures were boosted by Mediaset España having had exclusive rights to the UEFA European Championships during June and July 2021.

In Italy, on the other hand, the results for the third quarter of 2021 were boosted by income of EUR 28.0 million relating mainly to the settlement of the copyright dispute with Dailymotion as part of the settlement agreements reached with Vivendi.

Despite the contraction in revenues, the impact on the consolidated results during the period was mitigated by the Group's response to contain operational costs. Despite the increase in energy and other costs linked to inflation during the third quarter, costs were actually down on the same period of last year. This trend is set to continue into the latter part of the year thanks to the measures taken with a view to autumn programming and to containing operational costs, which are aimed at mitigating the economic impacts and protecting cash flow generation in the challenging reference market landscape. In Italy, meanwhile, despite the higher costs associated with acquiring sports content from the second half of 2021 onwards (exclusive free-to-air rights to the Coppa Italia and Supercoppa, non-exclusive streaming rights to the UEFA Champions League), the Group's ongoing actions to control and contain operating costs mean that the overall costs both in the first nine months and in the third quarter of 2022 are still lower than in the same period of 2019.

Despite an increasingly complex and uncertain landscape, the performance outlined above has ensured that the Group's financial results, Operating Result (EBIT), Free Cash Flow and Consolidated Net Result all show a profit at the end of the first nine months.

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

- ▣ **Consolidated net revenues** (up 0.1% during the first six months) amounted to **EUR 1,900.1 million** at the end of the nine-month period, down -4.6% on last year's figure of EUR 1,992.7 million. This result reflects both the slowdown in advertising revenues (-3.6% on a consolidated basis) and the non-recurring revenue component relating to the Vivendi settlements which was present in the third quarter of last year.
- ▣ **Operating Result (EBIT)** was **EUR 97.6 million**, compared to EUR 275.0 million for the same period in 2021. Operating profitability stood at **5.1%**, compared to the 13.8% recorded in the same period in 2021.
- ▣ The **Group net result** was positive at **EUR 78.5 million**, compared to the EUR 273.8 million net profit recorded for the same period in the previous year. Below EBIT, the main difference in terms of the results of

its investees was the EUR 86.7 million pro-quota capital gain made by EI Towers (40% owned by MFE) from the sale of Towertel in the second quarter of 2021. As reported above, following the successful outcome of MFE's voluntary public purchase and exchange offer for minority interests in its subsidiary Mediaset España during the third quarter of 2022, the financial results of the Mediaset España Group are now consolidated based on the Group's increased stake of 82.92% (55.69% until 30 June 2022).

- The **Consolidated Net Financial Position** at 30 September 2022 showed a debt of **EUR 877.3 million**, which is generally in line with 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, the **adjusted net financial position** on the reference date showed a debt of **EUR 736.4 million**. **Free cash flow** for the period remained positive at **EUR 359.1 million**, compared to the EUR 423.6 million recorded for the same period of 2021. During the third quarter, MFE also disbursed EUR 184.2 million euros as the cash component of the Offer that led it to acquire an additional 27.23% stake in the subsidiary Mediaset España and EUR 133.0 million in dividend distributions.

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

In Italy:

- **Consolidated net revenues** from the Group's Italian operations totalled EUR 1,310.9 million, a reduction of -5.6% compared to the EUR 1,388.9 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) recorded a slight contraction of **-2.5%** compared to last year, amounting to **EUR 1,309.2 million**. Based on Nielsen data, the overall advertising market relating to the classic area (with the exclusion of direct mail) fell by -4.7%, while the aggregate data relating to the market segments (TV, radio, web) on which the Mediaset collection insists decreased by -7.1% compared to the same period of 2021, on which the trend was also positively affected by the major international sport events (European Football Championships between June and July and the Olympics in August). This trend was affected by the contraction in investment in the automotive and food sectors, which were those most impacted by rising energy costs, whereas investment in service-related segments largely held up.
- According to audience data from Auditel, during the period reported, Mediaset networks as a whole obtained an audience share of 36.7% over the 24-hour period, 36.4% in the Day Time slot and 37.3% in Prime Time.

Mediaset also confirmed its leadership with the commercial target audience (15–64 years) during the first nine months of 2022 over the 24-hour period (40.0%), in the Day Time slot (39.8%) and in Prime Time (40.6%). Notably, Canale 5 ranks in top spot in all time slots with this viewer target.

During the autumn season (from 4 September to 1 October 2022), Mediaset consolidated its leadership among the commercial target with ratings higher, as a whole, than its competitors. Among this target audience, generalist networks in particular obtained a share of 28.2% the 24-hour period, 28.2% in the Day Time slot and 29.2% in Prime Time.

- **Other revenues** amounted to **EUR 194.4 million**, as compared to EUR 237.3 million for the same period of last year. Last year's figure also included the revenues made during the third quarter of 2021 from the Vivendi settlements and from the exclusive sublicensing agreements with Sky to broadcast the Premium Cinema and Series Channels, which terminated at the start of 2022. The loss of these components was partly made up for by the revenue generated from the advertising sales agreements entered into with third-

party media and the revenues generated from sublicensing Infinity premium contents to third parties, which came into force in the second half of 2021.

- **Total operating costs** for operations in Italy during the period (personnel expenses, purchases, services, other costs, TV rights amortisation and depreciation of fixed assets) amounted to **EUR 1,325.3 million**, up +5.7% on the same period of last years. However, the comparison with the same period in 2021 is affected by a lack of consistency during the first half of the year (the three-year broadcasting rights to the Coppa Italia and Supercoppa Italiana commenced in the second half of 2022, as did the deal that sees fees paid for the management of Serie A DAZN advertising sales) as well as by rising energy prices, which became an increasing component towards the end of last year. In the third quarter, on the other hand, costs decreased by -4.4% (-6.5% if we exclude the effects of energy price increases and inflation). This trend is expected to continue into the final months of the year.
- The **Operating Result (EBIT)** from all operations in Italy during the first nine months amounted to **EUR -14.4million**, compared to a profit of EUR 135.0 million for the first nine months of 2021.

In Spain:

- **Consolidated net revenues** for the Mediaset España Group up to the end of the first nine months of 2022 reached **EUR 590.5 million**, showing a -2.2% reduction on the same period of the previous year.
- **Gross TV advertising revenues** stood at **EUR 538.1 million** (EUR 574.5 million at 30 September 2021), marking a -6.3% decrease compared to the same period of last year, in which revenues during June and July were boosted by Mediaset España holding the broadcasting rights to the UEFA European Championships. According to *Infoadex* statistics, television advertising investments contracted by 6.6% during the first nine months of 2022. Mediaset España maintained its leadership in the TV advertising market with a share of 41.8%.
- The Mediaset España Group maintained its leadership in **audience figures** with a total audience share of 26.4% over the 24-hour period, and a 29.2% 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 27.4% of the commercial target audience. In the first nine months of 2022, Telecinco maintained its audience leadership with a 12.6% share over the 24-hour period, while reaching a share of 13.7% with the commercial target audience.
- **Other revenues** (mainly content sales, online and Mitele Plus subscriptions) stood at EUR 76.9 million, up on the EUR 55.4 million recorded in the same period of last year (+38.7%).
- **Total costs** (personnel costs, other operating costs, amortisation and depreciation) were EUR 477.6 million, which is 2.9% higher than in the same period of last year. This change was influenced by costs relating to the development of the Group's digital editorial offering and its acquisition and production of film content. This latter activity has rebounded strongly since the pandemic crisis and has contributed to a growth in Other Revenues. These components were made up for by lower programming costs of Group-owned TV networks.
- As a result of the above performance, **Operating Result (EBIT)** came to EUR 116.8 million, compared to EUR 114.2 million in the same period of 2021, corresponding to an operating profitability of 19.1%, compared to 23.1% in the same period in 2021.

EVENTS AFTER 30 SEPTEMBER 2022

On **2 November 2022**, MFE - MEDIAFOREUROPE secured an option on an additional 4.0% of the share capital of ProSiebenSat.1 Media SE. With this new transaction, MFE-MEDIAFOREUROPE will increase its stake to up to 29.0% of share capital and up to 29.9% of voting rights of ProSiebenSat.1 Media SE (when treasury shares are excluded). The handover of the underlying shares is subject to conditions typical for transactions of this nature.

BUSINESS OUTLOOK

The general context continues to be characterised, particularly in the Eurozone, by the aforementioned economic slowdown, to which it should be added the restrictive monetary measures introduced by central banks with the aim of containing and stabilising the macroeconomic situation.

Despite this uncertain scenario, the MFE Group confirms its objective of achieving positive results and free cash flow for 2022, thanks to the solid advertising market share, the strong editorial positioning and the ability to adapt the cost profile in relation to the advertising market trend.

In Italy, in the last quarter of 2022, total costs will sharply decline compared to the same period of last year. The advertising trend in Q4 could be divided in two phases. Advertising collection showed a resilient performance until mid-November with a better result compared to the first nine months of 2022, however visibility on the last portion of the quarter is limited and our performance will be affected by the World Cup football tournament in Qatar, broadcasted exclusively by RAI.

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

MFE Group Reclassified Income Statement

EUR million

	9M 2022	9M 2021	Change (EUR million)	Change (%)
Consolidated net revenues	1,900.1	1,992.7	(92.5)	-4.6%
Personal expenses	(343.7)	(351.6)	7.9	-2.3%
Purchases, services, other costs	(1,098.4)	(1,021.8)	(76.7)	7.5%
Operating costs	(1,442.2)	(1,373.4)	(68.8)	5.0%
Gross Operating Result (EBITDA)	458.0	619.3	(161.3)	-26.0%
TV Rights amortisation	(297.4)	(277.0)	(20.4)	7.4%
Other amortisation, depreciation and impairments	(62.9)	(67.3)	4.4	-6.5%
Amortisation, depreciation and impairments	(360.3)	(344.3)	(16.1)	4.7%
Operating Result (EBIT)	97.6	275.0	(177.4)	-64.5%
Financial income/(losses)	35.7	22.2	13.5	61.0%
Result from investments accounted for using the equity method	12.4	102.9	(90.5)	-88.0%
Profit Before Tax (EBT)	145.7	400.1	(254.4)	-63.6%
Income taxes	(20.4)	(75.5)	55.1	-73.0%
Non-controlling interest in net profit	(46.8)	(50.8)	4.0	-7.9%
Group Net Profit	78.5	273.8	(195.3)	-71.3%

MFE Group Reclassified Statement of financial position

EUR million

	30-Sep-22	31-Dec-21
TV and movie rights	825.5	844.9
Goodwill	804.2	803.2
Other tangible and intangible non current assets	823.8	879.4
Equity investments and other financial assets	893.4	1,248.2
Net working capital and other assets/(liabilities)	299.2	382.9
Post-employment benefit plans	(60.0)	(59.2)
Net invested capital	3,586.1	4,099.5
Group shareholders' equity	2,499.0	2,661.8
Non controlling-interests	209.8	568.5
Total Shareholders' equity	2,708.8	3,230.3
Net financial position		
Debt/(Liquidity)	877.3	869.2

MFE Group		
Reclassified Cash Flow Statement		
Eur million		
	9 Months 2022	9 Months 2021
Net Financial Position at the beginning of the year	(869.2)	(1,064.4)
Free Cash Flow	359.1	423.6
Cash Flow from operating activities (*)	447.0	624.6
Investments in fixed assets	(306.7)	(306.8)
Disposals of fixed assets	2.3	1.6
Changes in net working capital and other current assets/liabilities	216.5	104.3
Change in the consolidation area	(0.1)	-
Treasury share (sale)/buyback of the parent company and subsidiaries	(17.1)	(0.7)
Equity investments/Investments in other financial assets and change of interest held in subsidiaries	(275.7)	(103.5)
Dividend received	59.5	167.5
Dividends paid	(133.9)	(342.1)
Financial Surplus/(Deficit)	(8.1)	144.9
Net Financial Position at 30 June	(877.3)	(919.5)

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

ITALY**Reclassified Income Statement**

EUR million

	9M 2022	9M 2021	Change (EUR million)	Change (%)
Consolidated net revenues	1,310.9	1,388.9	(77.9)	-5.6%
Personal expenses	(249.1)	(260.3)	11.2	-4.3%
Purchases, services, other costs	(819.1)	(723.2)	(95.9)	13.3%
Operating costs	(1,068.2)	(983.5)	(84.7)	8.6%
Gross Operating Result (EBITDA)	242.7	405.3	(162.6)	-40.1%
TV Rights amortisation	(208.3)	(215.9)	7.6	-3.5%
Other amortisation, depreciation and impairments	(48.8)	(54.5)	5.7	-10.5%
Amortisation, depreciation and impairments	(257.1)	(270.4)	13.3	-4.9%
Operating Result (EBIT)	(14.4)	135.0	(149.4)	-110.7%
Financial income/(losses)	12.4	19.4	(7.1)	-36.3%
Result from investments accounted for using the equity method	9.9	100.5	(90.6)	-90.1%
Profit Before Tax (EBT)	7.9	254.9	(247.0)	-96.9%
Income taxes	0.6	(46.2)	46.7	-101.2%
Non-controlling interest in net profit	0.1	1.1	(1.1)	-92.8%
Group Net Profit	8.6	209.9	(201.3)	-95.9%

ITALY**Consolidated Net Revenues**

EUR million

	9M 2022	9M 2021	Change (EUR million)	Change (%)
Gross advertising revenues	1,309.2	1,342.2	-33.0	-2.5%
Agency discounts	(192.6)	(190.5)	(2.1)	-1.1%
Net advertising revenues	1,116.5	1,151.6	-35.1	-3.0%
Other revenues	194.4	237.3	-42.9	-18.1%
Consolidated Net Revenues	1,310.9	1,388.9	-77.9	-5.6%

ITALY- Reclassified Cash Flow Statement		
Eur milion	9 Months 2022	9 Months 2021
Net Financial Position at the beginning of the year	(1,135.5)	(1,187.7)
Free Cash Flow	193.9	242.3
Cash Flow from operating activities (*)	236.8	424.5
Investments in fixed assets	(223.1)	(219.2)
Disposals of fixed assets	1.4	1.6
Changes in net working capital and other current assets/liabilities	178.7	35.4
Change in the consolidation area	(0.1)	-
Treasury share (sale)/buyback of the parent company and subsidiaries	(17.1)	-
Equity investments/Investments in other financial assets and change of interest held in subsidiaries	(236.9)	13.4
Dividend received	29.5	150.7
Dividends paid	(133.0)	(340.6)
Financial Surplus/(Deficit)	(163.7)	65.9
Net Financial Position at the end of the period	(1,299.2)	(1,121.7)

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

ITALY - Increased in fixed assets		
Eur milion	9 Months 2022	9 Months 2021
Investments in TV and movie broadcasting rights	(194.3)	(166.5)
Changes in advances on broadcasting rights	(7.7)	(13.8)
TV and movie boadcasting rights: investments and advances	(202.1)	(180.3)
Investments in other fixed assets	(21.0)	(38.9)
Total Investments in fixed assets	(223.1)	(219.2)

SPAIN**Main indicators**

	EUR million	9M 2022	9M 2021	Change (EUR million)	Change (%)
Gross advertising revenues		538.1	574.5	-36.4	-6.3%
Agency discounts		(24.5)	(26.2)	1.7	6.5%
Net advertising revenues		513.7	548.4	-34.7	-6.3%
Other revenues		76.9	55.4	21.5	38.7%
Consolidated Net Revenues		590.5	603.8	-13.3	-2.2%
Operating Result (EBIT)		112.9	139.6	(26.7)	-19.1%
Group Net Profit		116.8	114.2	2.7	2.3%
Free Cash Flow		165.2	181.3	(16.1)	-8.9%
Net Financial Position					
Debt/(Liquidity)		421.9	202.2	219.7	n.s.

ALTERNATIVE PERFORMANCE MEASURES

The income statement, statement of financial position and cash flow statement included in this Interim Financial Report are presented in a manner consistent with the Report on Operations accompanying the annual Consolidated Financial Statements. As such, figures have been summarised and 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 Interim Report 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 *is determined starting from the 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*.

EBITDA and EBIT are typical intermediate performance inputs for calculating the *Net profit for the year* (IFRS performance measure). Although the *Net profit for the year* 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 the main indicator of the Group's ability to meet its financial obligations. It 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 Invested Capital is calculated by applying the *Net Financial Position* to *Group Shareholders' Equity* and *Minority Interests*, giving the total amount of non-financial assets and liabilities. 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.

Free Cash Flow is the summary indicator of the Group's ability to generate cash from operating activities, as well as its ability to pay dividends to shareholders and support external growth and development operations. Therefore, this measure represents all variations in Net Financial Position other than cash flows related to: M&A

transactions (change in the consolidation area, acquisition and/or sale of equity investments or minority interests in subsidiaries, and other strategic/financial assets); the distribution and/or receipt of dividends; share buybacks by the parent company or its subsidiaries; and the net cash flows generated from operations classed as available for sale or discontinued under IFRS 5.

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