



PRESS RELEASE

THE BOARD OF DIRECTORS OF MFE – MEDIAFOREUROPE N.V. APPROVES RESULTS TO 31 DECEMBER 2023

INVESTMENTS IN EUROPEAN DEVELOPMENT AND DIVIDEND OF €0.25 WITHOUT INCREASING DEBT

NET PROFIT, EXCLUDING THE CONTRIBUTION OF PROSIEBENSAT1, AT €217.5 MILLION VS. €184.7 MILLION IN 2022 (+17.7%)

CONSOLIDATED ADVERTISING REVENUES 2024: GOOD FIRST QUARTER +6% COMPARED TO THE SAME PERIOD OF 2023

The financial results for the year 2023 of the MFE-MEDIAFOREUROPE N.V. Group (MFE), which were approved unanimously by the Board of Directors chaired by Fedele Confalonieri, were significantly higher than the company's estimates at the beginning of the year.

Despite the still extremely unstable international geopolitical environment, the MFE Group achieved an overall growth in gross advertising revenues of +0.9%. This was due in particular to the acceleration of advertising sales in Italy in the last quarter, when this figure was about 8% higher than in the same period in 2022, reaching the highest level in seven years. In Spain, revenues were broadly stable despite a still uncertain political and economic environment.

During 2023, MFE completed the merger by incorporation of Mediaset España Comunicación S.A. and, from the second quarter, the consolidation of 100% of the earnings generated by operating activities in Spain, which are now under the company Grupo Audiovisual Mediaset España Comunicación S.A.

In Germany, through further investments in international development, MFE's shareholding in Prosiebensat.1 increased to 27.3% of the voting rights in the year.

The strategy of MFE MEDIAFOREUROPE and the change of pace in the broadcasting business line enabled a better-than-expected net result, despite higher financial expenses, a significant reduction in dividends from ProsiebenSat1 Media SE and the related pro-rata loss. Excluding the contribution related to the investment in PS71 in the two financial years, the net profit was even higher than in 2022, thanks in part to the synergies resulting from the merger of Mediaset España Comunicación S.A into MFE.

These excellent results will enable the Group to finance its strategic development and once again reward MFE's shareholders. The Board of Directors resolved to propose to the Shareholders' Meeting, scheduled for 19 June, the distribution (in accordance with Articles 27 and 28 of the Articles of Association) of a gross ordinary dividend, relating to the financial year 2023, of €0.25 for each ordinary class A and class B share.

The key figures for the MFE- MEDIAFOREUROPE N.V. Group are as follows:

CONSOLIDATED MFE GROUP

- **Consolidated net revenues** amounted to **€2,810.4** million, up 0.3% compared to €2,801.2 million in 2022, partly due to an increase in gross advertising revenue of +0.9%.

• **Total Consolidated Costs** were **€2,508.1** million. This includes non-recurring personnel and corporate reorganisation costs amounting to €42.7 million. Total recurring operating costs amounts to €2,465.3 million in 2023.

• **Operating income (EBIT)** increased to **€302.3** million compared to €280.1 million in 2022 (+7.9%).

• **Net profit** excluding the accounting impact of ProSiebensat1 contribution in the two financial years was **€217.5** million, a significant increase (+17.7%) compared to €184.7 million in 2022. Reported Net Profit was €209.2 million.

• **The consolidated net financial position** as at 31/12/2023 amounted to **-€738.2** million, substantially unchanged from -€732.1 million as at 31 December 2022. Including the liabilities recognised as of 2019 in accordance with IFRS 16 and the residual financial debt from the acquisition of the equity investment in ProSiebenSat.1 Media SE, financial debt amounted to €902.8 million, compared to €873.3 million as of 31 December 2022.

• **Free cash flow** was positive at **€279.6** million. During the period under review, total disbursements of €145.9 million were incurred by MFE relating to the cash absorbed component of the acquisition of additional minority shares in Mediaset España as part of the completion of the Merger Project and the acquisitions of additional shares in ProSiebenSat.1 Media SE and in connection with the distribution of MFE dividends of €140 million.

In 2023 MFE has shown a remarkable ability to convert its operating profits into free cash flow (Cash Flow Conversion), while maintaining a high level of industrial investment. A Cash Flow Conversion ratio of 92.5% in 2023 provides an evaluation of the quality of the Group cash flow generation.

NET PROFIT OF THE PARENT COMPANY

The parent company MFE ended the financial year on 31 December 2023 with a net profit for the period of €5.3 million compared with a net profit of €27.4 million in 2022.

TV RATINGS

Although not one of its rating targets, in 2023 Mediaset consistently surpassed its public competitor across all Italian viewers when considering the full year and all events. The Mediaset networks achieved an average 24-hour audience share of 37.8%, compared to 37% for state TV. For overall viewers, Mediaset's total was +0.7% compared to -1% for the Public Service, for the commercial target audience, Mediaset's networks strengthened their leadership in all time slots, particularly between 21.30-24.30 - Extended Prime Time (42.5% share), where they beat their direct competitors by more than 11 percentage points.

DIVIDEND FOR THE YEAR 2023

The Board of Directors resolved to propose to the Shareholders' Meeting, scheduled for 19 June 2024, the distribution, in compliance with articles 27 and 28 of the Articles of Association, of a gross ordinary dividend, relating to the 2023 financial year, equal to **€0.25** for each category A and category B ordinary share.

The total amount of the proposed dividend, and consequently the residual amount of profit to be allocated to the reserve, will vary according to the number of shares in circulation on the date of coupon detachment (thereby excluding treasury shares on that date).

On the basis of what is currently conceivable, and in the event of approval by the Shareholders, it is tentatively expected that payment of the dividend (with coupon detachment number 1 for ordinary shares of category A and number 1 for ordinary shares of category B) will take place on 24 July 2024 (with coupon detachment ex date on 22 July 2024 and record date on 23 July 2024).

EXPECTATIONS FOR THE FULL YEAR

In the first part of the current financial year, the Group's advertising sales performance, supported by excellent broadcasting results, showed a significant growth of +6% compared to the same period last year.

In Italy, in particular, the growth in advertising revenues was 5% compared to the same period in 2023, consolidating the extremely positive trend that characterised the second part of 2023. There are also signs of improvement in Spain, with sales in the quarter growing strongly, +8% compared to the same period in 2023. In both geographical areas, positive trends are also being recorded in the month of April.

The Group's objective is to consolidate its market shares over the course of the year on the basis of the results already achieved in the first few months and the solid positioning of its publishing activities, both linear and digital. This takes into account the middle of the year, which is in any case less interesting for the market for seasonal reasons, when the trend in television advertising investment will be determined by major sporting events (European Football Championship and the Olympic Games) which are not available to the Group and the extremely strong trend of advertising revenues in Italy in the latter part of 2023. Through the acquisition of control of Mediamond, the Group will also further complement its unique portfolio of own and third-party assets managed in the market segments with the highest growth potential (web, dooh).

On the subject of investments, commitments in support of the Group's core business (i.e. the acquisition of free-to-air rights for films and TV series, mainly based on long-term agreements with the leading international content providers) are expected to be substantially in line with those of last year.

On a like-for-like basis, the trend of strengthening the workforce through the hiring of talent in the most innovative and dynamic business areas will also continue in 2024, given the natural turnover determined by the Group's age structure.

In the current year, the Group will remain focused on balancing operating cost controls, innovation and the digitalisation of processes and the effectiveness of its local broadcasting offer. The objective will be to maintain a decidedly positive consolidated EBIT, net result and free cash flow on an annual basis, the extent of which will mainly depend on the level of advertising sales on own managed resources.

BOARD OF DIRECTORS

The Board of Directors also approved the proposal that will be presented to the next Shareholders' Meeting concerning the appointment of the following executive and non-executive directors for a three-year term expiring on the date of the Shareholders' Meeting called to approve the 2026 financial statements:

- Fedele Confalonieri (Non-Executive Director)
- Pier Silvio Berlusconi (Executive Director)
- Patrizia Arienti (Independent Non-Executive Director)
- Stefania Bariatti (Independent Non-Executive Director)
- Marina Berlusconi (Non-Executive Director)
- Marina Brogi (Independent Non-Executive Director)
- Consuelo Crespo Bofill (Independent Non-Executive Director)
- Francisco Javier Díez de Polanco (Independent Non-Executive Director)
- Giulio Gallazzi (Independent Non-Executive Director)
- Marco Giordani (Executive Director)
- Gina Nieri (Executive Director)
- Danilo Pellegrino (Non-Executive Director)
- Alessandra Piccinino (Independent Non-Executive Director)
- Niccolò Querci (Executive Director)
- Stefano Sala (Executive Director)

The curricula vitae of the candidates for the Board of Directors will be made available on the Company's website at the same time as the publication of the notice of call of the Shareholders' Meeting scheduled for 19 June 2024, alongside the rest of the documentation for the Meeting.

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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 S.p.A. and Grupo Audiovisual Mediaset España Comunicación S.A. (both fiscal resident in their respective countries) and is the main shareholder of the German broadcaster ProSiebenSat1.

MFE-MEDIAFOREUROPE is listed on Euronext Milan of Borsa Italiana S.p.A. (Ticker: MFEA, MFEB) and on the Spanish stock exchanges (Ticker: MFEA)

MFE GROUP - Condensed Income Statement

€ millions

	2023	2022
Consolidated net revenues	2,810.4	2,801.2
Personnel expenses	(476.5)	(478.7)
Purchases, services, other costs	(1,551.6)	(1,518.9)
Operating costs	(2,028.0)	(1,997.6)
Gross Operating Result (EBITDA)	782.3	803.6
TV Rights amortisation	(395.9)	(412.2)
Other amortisation, depreciation and impairments	(84.1)	(111.3)
Amortisation, depreciation and impairments	(480.1)	(523.5)
Operating result (EBIT)	302.3	280.1
Financial income/(losses)	(26.5)	31.6
Result from investments accounted for using the equity method	3.9	25.5
Profit Before Tax (EBT)	279.7	337.2
Income taxes	(62.9)	(62.2)
Non-controlling interests in net profit	(7.5)	(58.1)
Group net profit	209.2	216.9

Condensed Statement of Financial Position € millions

	31/12/2023	31/12/2022
TV and movie rights	752.6	775.3
Goodwill	804.7	804.2
Other tangible and intangible non-current assets	775.7	785.1
Equity investments and other financial assets	994.9	956.4
Net working capital and other assets/liabilities	498.2	496.4
Post-employment benefit plans	(49.3)	(50.5)
Net invested capital	3,776.8	3,766.8
Group shareholders' equity	2,869.1	2,667.9
Non-controlling interests	4.9	225.7
Shareholders' equity	2,874.0	2,893.6
Net Financial Position Debt/(Liquidity)	902.8	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 Income/(expenses) from equity investments.

Net profit excluding the accounting impact of Prosiebensat1 was determined by excluding from the Group Net Profit in the two financial years the contribution generated by the participation of ProsiebenSat1 (dividends collected and pro-quota net result of the investee) according to the accounting criteria applied to the participation in the consolidated MFE Financial Statements (IFRS 9 until 30 June 2023, IAS 28 starting from the second half of 2023).

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 consolidated financial statements of MFE are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). In preparing the financial information in these materials, except as otherwise described, the same accounting principles are applied as in the consolidated special purpose financial statements of the Group as of, and for, the year ended 31 December 2020 and the related notes thereto. In the preparation of the financial information included in this document, most of the figures are presented in millions of euros. Some figures, including financials, have been rounded. Some figures may have been rounded to the nearest million/billion. Changes have been calculated using figures in thousands and not the figures rounded nearest million as shown. In tables, negative amounts are shown in parentheses. Otherwise, negative amounts are shown by "-" or "negative" before the amount.

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.