

MFE

MEDIAFOREUROPE

**INTERIM
FINANCIAL REPORT
AT 30 SEPTEMBER 2025**

MEDIAFOREUROPE N.V.

Registered Office: Amsterdam, Netherlands

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

Share Capital: EUR 169,941,163.74

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

Patrizia Arienti

Marina Berlusconi

Stefania Bariatti

Marina Brogi

Consuelo Crespo Bofill

Javier Diez de Polanco

Giulio Gallazzi

Marco Giordani

Gina Nieri

Danilo Pellegrino

Alessandra Piccinino

Niccolo' Querci

Stefano Sala

Executive Committee

Pier Silvio Berlusconi

Marco Giordani

Gina Nieri

Niccolo' Querci

Stefano Sala

Audit and Sustainability Committee

Alessandra Piccinino (Chair)

Patrizia Arienti

Marina Brogi

Javier Diez de Polanco

Nomination and Remuneration Committee

Stefania Bariatti (Chair)

Consuelo Crespo Bofill

Giulio Gallazzi

Independent Auditors

Deloitte Accountants B.V.

FINANCIAL HIGHLIGHTS

MAIN INCOME STATEMENT DATA

FY 2024			9M 2025		9M 2024	
EUR M	%		EUR M	%	EUR M	%
2,949.5	100%	Consolidated Net Revenues	1,939.1	100%	2,004.7	100%
2,124.9	72%	Italy	1,411.7	73%	1,431.4	72%
827.3	28%	Spain	529.2	27%	573.8	28%
355.8		Operating Result (EBIT)	61.3		126.6	
209.4		Italy	28.4		51.4	
146.3		Spain	32.9		75.1	
137.9		Group Net Profit	243.1		96.2	

MAIN BALANCE SHEET AND FINANCIAL DATA

31 st December 2024		30 th Sep 2025		30 th Sep 2024	
EUR M		EUR M		EUR M	
3,564.2	Net Invested Capital	6,271.0		3,531.7	
2,872.7	Total Net Shareholders' Equity	3,419.4		2,813.1	
2,868.7	Group Shareholders' Equity	3,444.4		2,810.0	
3.9	Non-Controlling Interests	(25.1)		3.0	
691.5	Net Financial Position Debt/(Liquidity)	2,851.6		718.6	
343.3	Free Cash Flow	348.9		318.8	
374.5	Investments	342.9		313.0	
140.0	Dividends paid by the Parent Company	151.3		139.9	
3.3	Dividends paid by Subsidiaries	1.8		3.3	

PERSONNEL (*)

31 st December 2024		30 th Sep 2025		30 th Sep 2024	
%		%		%	
5,194	100%	12,089	100%	5,178	100%
	Workforce (headcount)				

(*) Includes temporary and permanent workforce. At 30 September 2025 included 6,845 units of the ProSiebenSat1 Media SE Group consolidated as of that date.

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 2024, 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 and financial position set forth below are presented in a manner consistent with the Report on Operations accompanying the Consolidated Annual Report. 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 2025 and 2024. The figures concerning financial position are as at 30 September 2025 and 31 December 2024.

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 materialise or prove to be incorrect, 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 completing this report.

Factors that could cause actual results and developments to differ from those expressed or implied in the forward-looking statements are included in the "Disclosure of Major Risks and Uncertainties" section of the Consolidated Annual Report for the year ended 31 December 2024 and in the "Risks and Uncertainties for the Rest of the Year" section of the Interim Financial Report as at 30 June 2025. These factors may not be exhaustive and should be read in conjunction with the other precautionary statements included in the annual and interim 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 report beyond its statutory disclosure requirements.

SIGNIFICANT EVENTS IN THE THIRD QUARTER

Equity investment in ProSiebenSat1 Media SE

During the third quarter of the year, MFE-MEDIAFOREUROPE N.V. ("MFE" or the "Company") completed its voluntary takeover offer ("the Offer") to acquire all shares that it did not already hold in PROSIEBENSAT.1 MEDIA SE ("P7S1"). On settlement of the Offer, MFE became the controlling shareholder of P7S1 with a stake of 75.61% of share capital, representing 75.67% of voting rights.

At 30 June, MFE's shareholding in P7S1 had stood at 30.14% of share capital and 30.16% of voting rights. During the first part of the Offer period, MFE entered into direct purchase agreements that increased its direct shareholding in P7S1 to 78,466,748 shares (33.68% of share capital and 33.70% of voting rights and economic interests) by the Offer expiry date.

The Offer proposed a cash component of EUR 4.48 plus an in-kind component of 1.3 MFE "A" class shares per P7S1 share. A total of 97,694,331 P7S1 shares were tendered into the Offer (representing 41.93% of share capital and 41.96% of the voting rights in P7S1). PPF, the second largest shareholder of P7S1, also tendered its shareholding (approximately 15.68% of outstanding share capital) – on 12 May 2025, PPF had launched its own partial cash offer for up to 30% of the share capital of P7S1.

As the Offer was completed in the latter part of the third quarter, the P7S1 investment has continued to be accounted for using the equity method for the nine months covered by this Interim Report, in accordance with IAS 28 (*Investments in associated companies*). From 30 September, the investment will be consolidated on a line-by-line basis in accordance with IFRS 3 (*Business Combinations*). As such, the Group's consolidated balance sheet of the Group will carry the book value of the acquiree's identifiable net assets at that date and will provisionally recognise goodwill, measured as the excess (relative to the 75.67% ownership interest held in the acquiree) of the consideration transferred in acquiring the controlling interest plus the acquisition-date fair value of the previously held non-controlling interest in the acquiree.

Given these different accounting treatment of the P7S1 investment, the consolidated income statement for the first nine months incorporates the following effects.

The financial results of P7S1, measured in accordance with IAS 28 for the first nine months of the year, brought in the income statement a contribution of EUR -7.3 million for the nine-month period (EUR +7.5 million in the same period of 2024). These amounts have been reflected on the *result from investments accounted for using the equity method* line of the income statement, proportionate to the Group's interest in P7S1 at the various interim reporting dates (for 2025: 30.8% in the first quarter, 30.16% in the second quarter, and 33.7% in the third quarter; for 2024: 26.3% in the first quarter, 29.8% in the second quarter and 30.8% in the third quarter).

In particular P7S1 recorded a EUR -32 million consolidated net result attributable to the parent's shareholders during the nine-month period (EUR 25 million in the same period of 2024). This result was affected not only by advertising sales figures (-7% compared to the same period in 2024), but also by one-off cost components consisting of gross restructuring costs (EUR -68 million) and the sale and deconsolidation of non-core activities (EUR -34 million, booked in the first six months of the year) and by income of EUR 125 million recorded for the deferred tax assets relating to the tax losses carried forward following the corporate reorganisation operations that occurred in the first part of the third quarter.

Also included in the *result from investments accounted for using the equity method* line of the income statement for the first nine months is the income of EUR 82.8 million already accounted for at 30 June to align the book value of MFE's 30.16% prior shareholding to the fair value determined at that date, taking as a reference the EUR 7 per share unit price proposed by PPF in its partial cash Voluntary Public Takeover Offer (for up to 29.99% of share capital) during the second quarter of the year.

Since 30 September, MFE's controlling interest in P7S1 is accounted for in accordance with IFRS 3. As a business combination achieved in stages, this required the following steps: (i) remeasuring MFE's previously held non-controlling equity interest (33.7%) by recognising, through the income statement for the period, the difference compared to the last carrying amount measured for that equity interest in accordance with IAS 28; and (ii) remeasuring, through the income statement, the fair value changes of its equity interest that were previously recognised in accordance with IAS 28 direct to Group shareholders' equity, *as Other comprehensive income and losses*. As a result of these measurements and reclassifications, non-recurring income of EUR 126,6 million was booked to the *Result from investments accounted for using the equity method* line of the income statement for the period.

As a result of MFE's controlling interest in P7S1 being accounted for in accordance with IFRS 3, provisional goodwill of EUR 1,782 million was recognised in the MFE consolidated statement of financial position as of 30 September. This goodwill was calculated as the difference between: (i) the fair value of the consideration paid by MFE to P7S1 shareholders who tendered their shares into the Offer, amounting to EUR 906.1 million (the aggregate of the EUR 438 million cash consideration transferred in the business combination and the fair value of the 127,002,630 newly issued MFE A shares) plus the fair value of the non-controlling equity interest previously held in P7S1 and (ii) the net carrying amount at 30 September of P7S1's identifiable assets acquired and liabilities assumed by MFE, proportionate to MFE's equity interest (75.67%).

In accordance with IFRS 3, any adjustments to goodwill resulting from a redetermination of the identifiable acquired assets and liabilities assumed, including contingent liabilities (Purchase Price Allocation, "PPA"), based on new or different information obtained about facts and circumstances that existed as of the acquisition date, must be recognised within 12 months following the acquisition date. If goodwill is adjusted at the end of the PPA, the accounting impacts of allocating part of the purchase price to the subsidiary's assets and liabilities must be reflected retroactively from 30 September 2025.

The completion of the Offer, and the consequent acquisition of control of P7S1, is a decisive step for MFE in accomplishing its pan-European consolidation strategy with the aim of achieving significant strategic advantages and enables to the create value for the Group, particularly in the areas of advertising, technology and data.

SUMMARY OF OPERATING PERFORMANCE AND KEY FINANCIAL RESULTS

Against a backdrop of continued international instability, the Group's Italian advertising sales held strong in the third quarter – a low season for the market as a whole – with figures and expectations both improved on last year. In Spain, where the advertising market remains weak, the Group's performance was in line with that of the first six months as its advertising sales remained in the red. In both geographical areas, the comparative sales figure for 2024 was already up significantly on the previous year.

The Group made a consolidated operating and net profit for the nine-month period, while its consolidated free cash flow also remained high, with figures up compared to the same period in 2024. Also compared to the same period of last year, the Group's operating results were affected by different dynamics on the *Other revenues* line, while total costs were lower on a like-for-like basis (excluding non-recurring costs, mainly relating to the Offer), despite the rollout of major initiatives in Italy and in Spain that were aimed at constantly renewing and strengthening the Group's editorial offering.

As disclosed above, during the third quarter MFE completed its Offer to acquire an additional shareholding in P7S1. As a result, MFE's investment in P7S1 – which, up to the end of the third quarter, was booked and measured with the equity method in accordance with IAS 28 in respect of its pre-acquisition non-controlling interest (33.7%) – is now consolidated on a line-by-line basis, as of September 30, in accordance with IFRS 3 (*Business Combinations*). As of that date, the carrying amount of the consolidated net assets of P7S1 (proportionate to MFE's 75.67% share of economic interests and voting rights) and the provisional goodwill determined on that basis are recognised in the Group's consolidated statement of Financial Position.

As a result of the acquisition of control of P7S1, which according to IFRS 3 is configured as a business combination achieved in stages, in the third quarter transaction costs of 6.8 million euros (at EBIT level) and financial costs of 4.6 million euros related to the Offer are accounted for. Non-recurring income for a net total of 126.6 million euros are accounted in the line *Result from investments accounted for using the equity method* deriving from the alignment to fair value (*remeasurement*) of the last carrying amount of the shareholding (non-controlling interest) of P7S1 recognised pursuant to IAS 28 prior to the acquisition of control and from the reclassification to the income statement of the changes in the value of the associate previously recognised in accordance with IAS 28 as *Other comprehensive income/(losses)* in the Group's equity. All these components, net of tax effects, had a total impact of EUR 116.2 million on the Group's net profit.

This line-by-line consolidation of P7S1's results will begin to affect the Group's consolidated income statement and balance sheet commencing the last quarter of this year.

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

Consolidated net revenues were **EUR 1,939.1 million**, as compared to EUR 2,004.7 million for the same period of last year.

In particular:

- **Gross advertising revenue** on a consolidated basis amounted to **EUR 1,921.5 million** (EUR 1,682.9 million, net of agency discounts) compared to EUR 1,943.3 million in the same period of last year, when overall growth was extremely strong (+6.5% compared to 2023).

- **Other revenues** amounted to **EUR 256.2 million** (compared to EUR 295.8 million in the same period of 2024), with some components (income from film distribution activities and resale of sports TV rights and streaming content to OTT platforms) performing unevenly compared to the 2024 financial year, although this trend should gradually revert to alignment during the latter part of the current financial year.

As for **advertising revenues**:

In **Italy**, gross advertising revenues from Group-managed media (free-to-air TV channels, Group-owned radio stations, websites and DOOH) amounted to **EUR 1,427.3 million**, up +1.4% on the figure from the same period of 2024, when it had recorded an increase of 8.3% compared to 2023. According to Nielsen's ratings, the advertising market contracted by -1.6% overall during the first nine months of 2025.

According to Italian ratings figures from Auditel for the period reported, Mediaset networks as a whole obtained an audience share of 37.3% over the 24-hour period, 37.2% in the Day Time slot and 36.5% in Prime Time. In the first nine months of 2025, Mediaset also maintained its leadership among the commercial target audience (15–64 years); this was true over the 24-hour period (40.0%), in the Day Time slot (40.1%) and in Prime Time (38.9%). Canale 5 was again the number one national network among this target audience, both over the 24-hour period and in the Day time slot. In the autumn guarantee period (7 September to 27 September 2025), Mediaset reconfirms its leadership among the commercial target audience with higher ratings than competitors. Generalist networks in particular obtained a share of 27.5% over the 24-hour period, 27.1% in the Day Time slot and 30.7% in Prime Time among this target audience.

In **Spain**, gross advertising revenues were **EUR 494.4 million**, as compared to EUR 535.8 million for the same period in 2024, when, in turn, advertising sales were up 1.9% on the same period in 2023.

In ratings terms, Mediaset España recorded a total audience share of 24.6% over the 24-hour period, and a 27.1% share among the commercial target. In Prime Time, the Mediaset Group achieved a 23.5% share of the total audience and 25.5% of the commercial target audience, while in Day Time, it obtained a 25.1% share of the total audience and 27.9% of the commercial target.

- **Group total costs** (personnel expenses, purchases, services and other costs, amortisation of rights and depreciation of fixed assets) amounted to **EUR 1,877.8 million** (EUR 1,878.1 million in the same period of 10,5) and included costs related to the Offer and other non-recurring costs (primarily lay-offs) totalling EUR 11.8 million.
- The **Group operating profit (EBIT)** was **EUR 61.3 million** (EUR 126.6 million for the same period in 2024).
- Below EBIT, **net financial charges** – including financing costs of EUR 4.6 million related to the Offer – amounted to EUR 15.4 million (EUR 12 million in the first nine months of 2024). Meanwhile, the **Result from investments accounted for using the equity method** amounted to EUR 211.6 million (EUR +16.2 million euros in the first nine months of 2024), with this result including the Group's proportionate share (based on its equity interest during the period) of the net profits of P7S1 for the first nine months, which were recognised in accordance with IAS 28 before the Group acquired control. This figure also includes the reversal of the impairment applied to the investment during the first half of the year and the total income of EUR 126.6 million recognised in accordance with IFRS 3 due to the change in the accounting treatment of the investment following the acquisition of control at the end of the third quarter.

- **Group net profit** for the first nine months was **EUR 243.1 million**, compared to 96.2 million euros in the same period of 2024.
- **Free cash flow** for the period remained extremely high at **348.9 million euros**, registering a strong growth (+9.4%) compared to the figure for the same period of 2024 (EUR 318.8 million).
- **Consolidated net financial debt** at 30 September 2025, with the same consolidation scope, amounted to **EUR 565 million**, down from EUR 691.5 million at 31 December 2024. Consolidated net financial debt, including financial impacts, totaled EUR 2,286.6 million, related to the acquisition of control of P7S1 completed at the end of the third quarter and the consolidation of P7S1's net financial position at that date, amounted to EUR **2,851.6 million**. The Group's **adjusted consolidated net financial debt** used in calculating the financial indicators underlying the covenants of loan agreements entered into by MFE (excluding the consolidated net financial position of P7S1 at 30 September and the liabilities recognised from 2019 pursuant to IFRS 16) stands at EUR **905.3 million**.

EVENTS AFTER 30 SEPTEMBER 2025

On **November 7, 2025**, ProSiebenSat.1 Media SE (P7S1 or the Company) signed a financing package with an international banking pool. The financing comprises a EUR 1,400 million term loan, a EUR 400 million revolving credit facility (both maturing in September 2030), and a EUR 300 million bridge financing facility with an initial term until September 2026 and an option to extend until September 2027. These facilities require the Company to comply with financial covenants. These credit facilities, totaling EUR 2,100 million, were secured by MFE as part of the tender offer to secure the creditor banks' right to withdraw from existing contracts under the Company's change of control clauses. This right was exercised by the majority of creditors following the effective change of control, which occurred with the completion of the Offer in late September.

BUSINESS OUTLOOK

The Group's economic and financial results over the coming quarters will be significantly affected by non-comparable and exceptional factors relating to the acquisition and full consolidation of P7S1.

Starting from the last quarter of the financial year, the economic and financial results of P7S1 — in which MFE holds, following the completion of the Offer, 75.67% of the economic interests and voting rights — will be consolidated line by line.

Due to the ongoing instability and unpredictability of the global economy, visibility on the performance of the advertising markets in Italy and Spain remains limited.

Based on current scenarios, the Group nevertheless expects advertising revenues at the end of the year to be in line with those recorded in the first nine months, on a like-for-like basis, with a positive trend in Italy and a continued decline in Spain.

Based on these expectations, and on a like-for-like basis, the Group confirms its annual target of achieving a positive Consolidated Operating Result, Net Result and Free Cash Flow. The extent to which this target is met will depend mainly on general economic performance in the final months of the year.

**CONSOLIDATED FINANCIAL
STATEMENTS (RECLASSIFIED) AND
SECTOR INFORMATION**

MFE GROUP**Reclassified Income Statement**

EUR million

	9M 2025	9M 2024	Change	Change %
Consolidated net revenues	1,939.1	2,004.7	(65.6)	-3.3%
Personnel expenses	(385.7)	(378.0)	(7.7)	2.0%
Purchases, services, other costs	(1,179.3)	(1,174.9)	(4.4)	0.4%
Operating costs	(1,565.0)	(1,553.0)	(12.1)	0.8%
Gross Operating Result (EBITDA)	374.1	451.7	(77.7)	-17.2%
TV Rights amortisation	(250.6)	(261.2)	10.6	-4.1%
Other amortisation, depreciation and impairments	(62.2)	(64.0)	1.8	-2.8%
Amortisation, depreciation and impairments	(312.7)	(325.2)	12.4	-3.8%
Operating Result (EBIT)	61.3	126.6	(65.2)	-51.5%
Financial income/(losses)	(15.4)	(12.0)	(3.4)	28.5%
Result from investments accounted for using the equity method	211.6	16.2	195.4	1204.0%
Profit Before Tax (EBT)	257.6	130.8	126.8	96.9%
Income taxes	(13.3)	(33.1)	19.8	-59.9%
Non-controlling interest in net profit	(1.2)	(1.4)	0.2	-16.0%
Group Net Profit	243.1	96.2	146.8	152.6%

MFE GROUP**Consolidated Net Revenues**

EUR million

	9M 2025	9M 2024	Change	Change %
Gross advertising revenues	1,921.5	1,943.3	(21.8)	-1.1%
Agency discounts	(238.6)	(234.4)	(4.1)	1.8%
Net advertising revenues	1,682.9	1,708.9	(26.0)	-1.5%
Other revenues	256.2	295.8	(39.6)	-13.4%
Consolidated Net Revenues	1,939.1	2,004.7	(65.6)	-3.3%

MFE Group Reclassified Statement of Financial Position EUR million			
		30-sept-25	31-dec-24
TV and movie rights		1,392.9	716.8
Goodwill		2,591.9	809.6
Other tangible and intangible non-current assets		2,002.1	733.2
Equity investments and other financial assets		700.0	904.5
Net working capital and other assets/(liabilities)		(370.9)	446.5
Post-employment benefit plans		(45.0)	(46.4)
Net invested capital		6,271.0	3,564.2
Group shareholders' equity		3,444.4	2,868.7
Non controlling-interests		(25.1)	3.9
Total Shareholders' equity		3,419.4	2,872.7
Net financial position			
Debt/(Liquidity)		2,851.6	691.5

MFE Group Reclassified Statement of Cash Flow EUR million			
		9M 2025	9M 2024
Net Financial Position			
at the beginning of the year		(691.5)	(902.8)
Free Cash Flow		348.9	318.8
Cash Flow from operating activities (*)		349.5	427.5
Investments in fixed assets		(342.9)	(313.0)
Disposals of fixed assets		13.6	0.2
Changes in net working capital and other current assets/liabilities		328.6	204.1
Change in the consolidation area		(2,286.6)	6.8
Equity investments/Investments in other financial assets and change of interest held in subsidiaries other financial assets		(90.5)	(20.6)
Dividend received		21.3	22.4
Dividends paid		(153.1)	(143.2)
Financial Surplus/(Deficit)		(2,160.1)	184.2
Net Financial Position at the end of the period		(2,851.6)	(718.6)

(*): 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**Main indicators**

EUR million

	9M 2025	9M 2024	Change	Change %
Gross advertising revenues	1,427.3	1,407.5	19.7	1.4%
Agency discounts	(213.6)	(210.6)	(3.0)	-1.4%
Net advertising revenues	1,213.7	1,196.9	16.8	1.4%
Other revenues	198.1	234.5	-36.4	-15.5%
Consolidated Net Revenues	1,411.7	1,431.4	(19.7)	-1.4%
Gross Operating Result (EBITDA)	262.8	292.6	(29.8)	-10.2%
Operating Result (EBIT)	28.4	51.4	(23.1)	-44.8%

SPAIN**Main indicators**

EUR million

	9M 2025	9M 2024	Change	Change %
Gross advertising revenues	494.4	535.8	(41.4)	-7.7%
Agency discounts	(26.1)	(23.8)	(2.3)	-9.7%
Net advertising revenues	468.3	512.0	(43.7)	-8.5%
Other revenues	60.8	61.8	-1.0	-1.6%
Consolidated Net Revenues	529.2	573.8	(44.7)	-7.8%
Gross Operating Result (EBITDA)	111.3	159.4	(48.1)	-30.2%
Operating Result (EBIT)	32.9	75.1	(42.2)	-56.2%

ALTERNATIVE PERFORMANCE INDICATORS

The consolidated income statement, balance sheet and cash flow statement included in this Interim Financial Report are presented in a manner consistent with the Report on Operations accompanying the Consolidated Annual Report. 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 GAAP 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 profit (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 impairment.

Net operating profit (EBIT) is calculated by taking the Net profit for the year (as provided for by the International Accounting Standards), adding Income taxes, then subtracting or adding Financial income, Financial expenses, and the Result from investments. Net operating profit (EBIT) is also shown in the consolidated income statement.

Gross operating profit (EBITDA) and Net operating profit (EBIT) are typical intermediate performance measures compared to the IFRS performance measure represented by the Net result. Although the Net profit for the period 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 due 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 minority 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 TV and movie 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 for risks and charges, trade and other 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.