



**INTERIM FINANCIAL REPORT
AS AT 31 MARCH 2022**

MEDIAFOREUROPE N.V.

Registered Office: Amsterdam, Netherlands

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

Share Capital: EUR 777,186,257.34

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

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			1st Quarter 2022		1st Quarter 2021	
EUR M	%		EUR M	%	EUR M	%
2,914.3	100%	Net Consolidated Revenues	654.3	100%	634.2	100%
2,038.4	70%	Italy	466.3	71%	450.2	72%
876.3	30%	Spain	188.0	29%	184.0	28%
418.0		EBIT	15.3		67.9	
192.1		Italy	(14.7)		20.6	
225.3		Spain	29.9		47.2	
374.1		Group Net Result	2.7		52.5	

MAIN BALANCE SHEET AND FINANCIAL DATA

31 st December 2021			31 st March 2022		31 st March 2021	
EUR M			EUR M		EUR M	
4,099.5		Net Invested Capital	3,845.5		4,306.0	
3,230.3		Total Net Shareholders' Equity	3,125.9		3,330.8	
2,661.8		Group Shareholders' Equity	2,577.2		2,784.1	
568.5		Minority interests	548.7		546.6	
869.2		Net Financial Position Debt/(Liquidity)	719.6		975.2	
507.3		Free Cash Flow	222.4		177.5	
396.0		Investments	129.4		119.6	
340.6		Dividends paid by the Parent Company	1.1		-	
-		Dividends paid by Subsidiaries	-		-	

PERSONNEL (*)

FY 2021			31/03/2022		31/03/2021	
	%			%		%
4,887	100%	Workforce (headcount)	4,919	100%	4,933	100%
3,292	67%	Italy	3,321	68%	3,355	68%
1,595	33%	Spain	1,598	32%	1,578	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. In line with previous interim reports, 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.

With regard to the macroeconomic consequences of the conflict in Ukraine which began in late February, the main external indicators and the trends in the main performance indicators for the period offer no evidence to suggest that the impairment testing carried out on corporate assets for the purposes of the Group's Consolidated Financial Statements for the year ended 31 December 2021 should be revised as at the date of this report (largely because of the unpredictability of these indicators and the Group's ability to quickly adapt its cost profile to mitigate any impacts on advertising revenues).

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 31 March 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 assessed in consideration of the risks and uncertainties that are beyond the Group's control and that require significant judgment. If the underlying assumptions materialise or prove to be incorrect, the risks or opportunities described, the results and the actual 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 available information at the time of completing 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 these Consolidated Financial Statements for the year ended 31 December 2021. These factors may not be exhaustive and should be read in conjunction with the other precautionary statements included in this annual 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 report beyond its statutory disclosure requirements.

Significant events in the first quarter

Since **1 January 2022**, Digitalia'08 directly manages the radio advertising sales of the Group's broadcasters and of some third-party broadcasters following its acquisition, on the same date, of the relevant business unit from Mediamond.

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

During the first quarter, MFE and Mediaset España repaid - in the form of a cash settlement - tranches of the financial debt taken out in 2019 for the equity investment in ProSiebenSat.1 Media SE, thus directly acquiring the underlying shares. As an integral part of the financial structure of this investment, tranches of financial instruments (collars) hedging those shares were simultaneously agreed with the counterpart to the transaction. As a consequence of these transactions and further share acquisitions by MFE, and after filing a specific request with the competent German authorities (Bundeskartellamt di Bonn - Federal Cartel Office) on 4 March 2022 (under Article 39 of the German Competition Act - "GWB"), **the Group's integrated shareholding in ProSiebenSat.1 Media SE** exceeded 25% of voting rights on 31 March 2022. During the first quarter, the Group incurred total cash outlays of EUR 69.2 million for these transactions.

On **14 March 2022**, the Board of Directors of MFE-MEDIAFOREUROPE N.V. approved the launch of a **public purchase and exchange offer** (the "Offer") for 138,763,426 ordinary shares in the subsidiary **Mediaset España Comunicación SA** ("MES"), corresponding to 44.31% of the company's share capital.

The Offer price was EUR 5.613 per share, broken down as follows:

- ▣ Equity component: 4.5 ordinary A-class shares in MFE-MEDIAFOREUROPE N.V., representing a price of EUR 3.753 for each share in Mediaset España Comunicación SA (9 ordinary A-class shares in MFEMEDIAFOREUROPE N.V. for every two shares in Mediaset España Comunicación SA); In this Offer component, MFE will issue up to 624,435,408 ordinary A-class shares.
- ▣ Cash component: EUR 1.860 for each share in Mediaset España Comunicación SA.

The Offer was approved by MFE's Shareholders' Meeting of 27 April 2022, subject to prior authorization by the Spanish CNMV (Comisión Nacional del Mercado de Valores), with whom the first draft of the relevant documentation was filed on 13 April. The deal will go through once the minimum acceptance threshold of 85.0% of total share capital is reached.

This threshold means the Offer can be completed without the automatic delisting of MES shares from the Spanish Stock Exchange. In this scenario, the company's stock would continue to be listed on the Spanish Stock Exchange and MFE would not have to launch a cash delisting offer.

Nevertheless, no sooner than six months after the completion of the Offer, MFE will have the option to merge MES into MFE, whereby the Spanish company's shareholders would exchange all their shares for A-class shares in MFE.

In this scenario, MFE would have to apply for its own A-class shares to be listed on the Spanish Stock Exchange.

Group Performance and Highlights

Television audience

In **Italy**, the total audience over the 24-hour period in the first quarter of 2022 amounted to 10.569 million viewers on average.

Auditel statistics show that, during the period reported, Mediaset networks as a whole obtained an audience share of 33.9% over the 24-hour period, 33.9% in the Day Time slot and 34.3% in Prime Time.

Mediaset also confirmed its leadership with the commercial target audience (15–64 years) during the first quarter of 2022 over the 24-hour period (36.1%), in the Day Time slot (36.1%) and in Prime Time (36.5%). Notably, Canale 5 ranks in top spot in all time slots with this viewer target.

In the spring season, Mediaset maintained its leadership of the commercial target audience, with ratings higher than its competitors. In particular, the Group's generalist networks achieved a target audience share of 27.1% over the 24-hour period, 27.3% in the Day Time slot and 27.9% in Prime Time.

In **Spain**, 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 29.5% share among the commercial target audience. In the Prime Time slot, the Mediaset España Group achieved a 24.6% share of the total audience and 27.6% of the commercial target audience. Also in the first three months of 2022, Telecinco maintained its audience leadership with a 12.8% share over the 24-hour period, while reaching a share of 14.1% with the commercial target audience.

Main financial results

While, on the one hand, the opening months of 2022 saw a gradual stabilisation of the Covid-19 pandemic, on the other it brought a sudden escalation of the underlying international geopolitical crisis, culminating in the Russian military invasion of Ukraine in late February.

This event immediately led the international community to adopt economic sanctions against Russia, adding to already strong inflationary pressure which particularly affected energy and food commodities. As a consequence, and amidst unpredictability as to how the situation would develop, the annual growth estimates of all major European economies were revised downwards.

Nevertheless, the Group's advertising investments were unaffected by these circumstances and in the first quarter even grew slightly year on year in both key national markets to perform better than the market as a whole. In the weeks following the onset of the conflict, there were no postponements, cancellations or changes to the media advertising campaigns planned by the Group. Despite an increasingly complex and uncertain environment, the Group made a consolidated net profit and generated significant free cash flow during the period, in which the Group's continued strong focus on cost control played a part.

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

- ▣ **Consolidated net revenues** amounted to **EUR 654.3 million**, up by **+3.2%** compared to the EUR 634.2 million from the previous year, with this trend primarily reflecting a **+2.1%** rise in **aggregate gross advertising revenues** from Italian and Spanish operations.
- ▣ The **Operating Result (EBIT)** was **EUR 15.3 million**, compared to EUR 67.9 million for the same period in 2021. Operating profitability stood at 2.3%, compared to the 10.7% recorded in the same period in 2021.
- ▣ The **Group net profit** was positive at **EUR 2.7 million**, compared to the EUR 52.5 million net profit recorded for the same period in the previous year. This figure was bolstered by the EUR 20.4 million financial gain made from the expiration of the reverse collars entered into to hedge future equity acquisitions of ProSiebenSat1.
- ▣ **Consolidated net financial position** at 31 March 2022 amounted to **EUR 719.6 million**, a reduction on the EUR 869.2 million recorded at the start of the period. If we exclude the liabilities recognised under IFRS 16 from 2019 onwards and the residual financial debt on the equity investments in ProSiebenSat.1 Media SE, **Adjusted net financial position** was **EUR 572.8 million**. **Free cash flow** for the first three months amounted to **EUR 222.4 million**, showing market growth on the EUR 177.5 million recorded for the same period of 2021.

If we break down the financial results by geographical area:

In Italy:

- ▣ **Consolidated net revenues** from the Group's Italian operations totalled **EUR 466.3 million**, signalling growth of 3.6% compared to the 450.2 million achieved in the corresponding period of the previous year.
- ▣ **Gross advertising revenues** from Group-managed media (revenues from free-to-air TV channels and Group-owned radio stations and revenue shares from websites managed under concession by Mediamond) amounted to **460.9 million euros**, an increase (for the seventh consecutive quarter) of **+2.0%** on the same period of the previous year, which is higher than the advertising market as a whole, which according to Nielsen data remained relatively stable (+0.4%).
- ▣ **Other revenues** amounted to **EUR 73.3 million**, an increase on the EUR 62.8 million made during the same period of last year. This was due to the new advertising sales agreements entered into with third-party media and the revenues generated from sublicensing Infinity premium content to third parties, which offset the termination of the revenues made under the exclusive sublicensing agreements with Sky to broadcast the Premium Cinema and Series Channels from the start of 2022.
- ▣ During the reporting period, **total operating costs** for operations in Italy during the quarter (personnel expenses, Purchases, services, other costs, TV rights amortisation and depreciation of fixed assets) amounted to **EUR 481.1 million**. Once we remove the elevated costs associated with sporting events content (three-year broadcasting rights to the Coppa Italia and the Italian Super Cup, which were absent during the first half of 2021) and the costs associated with third-party advertising revenues from sporting events (Serie A on Dazn) under agreements entered into in the second half of 2021, these costs are generally in line with those incurred during the same period of last year.
- ▣ The **Operating Result (EBIT)** from all operations in Italy during the first three months amounted to **EUR -14.7 million**, compared to EUR 20.6 million for the first three months of 2021.

In Spain:

- ▣ **Consolidated net revenues** for the Mediaset España Group up to the end of the first three months of 2022 reached EUR **188.0 million**, showing a 2.2% increase on the same period of the previous year.
- ▣ **Gross TV advertising revenues** stood at EUR **175.1 million** (EUR 171.0 million at 31 March 2021), marking a 2.4% increase on the same period of the previous year. According to *Infoadex* statistics, television advertising investments rose by 1.1% during the first three months of 2022, while the television and digital media advertising market as a whole increased by 5.5%. Mediaset España maintained its leadership in its TV market with a share of 41.7%, whereas its share of the TV and digital media market stood at 24.1%.
- ▣ **Other revenues** (mainly content sales, online and Mitele Plus subscriptions) stood at EUR **20.8 million**, compared to EUR 20.1 million recorded in the same period of last year (+3.2%). Compared to the last pre-pandemic period (EUR 12.1 million during the first three months of 2019), this revenue category was up by EUR 71.6%.
- ▣ **Total costs** (personnel costs, other operating costs, amortisation and depreciation) were **EUR 158.1 million**, an increase of 15.6% compared to the same period of last year. The increase in costs is mainly due to a different content mix (but which was in line with the pre-pandemic) than in the first quarter of 2021, when schedules were being overhauled to manage the negative economic consequences of the severe restrictions and social distancing measures put in place by the government to deal with COVID-19.

- As a result of the above performance, **Operating Result (EBIT)** came to **EUR 29.9 million**, compared to EUR 47.2 million in the same period of 2021, corresponding to an operating profitability of 15.9%, compared to 25.6% in the same period in 2021.

Events after 31 March 2022

As part of its public purchase and exchange offer made to **Mediaset España Comunicación S.A.**, on **13 April 2022**, MFE-MEDIAFOREUROPE N.V. ("MFE") filed a request with the Spanish CNMV (Comisión Nacional del Mercado de Valores) to authorise its voluntary Offer to Mediaset España Comunicación S.A. ("ESM"). This was filed together with the draft bid and bank guarantees (issued by five Italian and Spanish banks) covering 100% of the Offer's cash component.

To facilitate this transaction, which involves a mix of cash and newly issued A-class shares, MFE's Shareholders' Meeting passed a resolution on **27 April 2022** to amend the Company Bylaws by increasing share capital to EUR 817,076,316.72, divided into 1,805,662,972 ordinary A-class shares each with a nominal value of EUR 0.06 and 1,181,227,564 ordinary B-class shares each with a nominal value of EUR 0.60. MFE's Shareholders' Meeting also authorised the Board of Directors to issue the new ordinary A-class shares necessary to pay the share component of the Offer (including any consideration due in connection with any squeeze-out procedures following the settlement of the share part of the Offer) and to limit or exclude any option rights in connection with those shares.

On **28 April 2022**, the Board of Directors of MFE resolved to propose to the Shareholders' Meeting scheduled for 29 June 2022 that, in accordance with Articles 27 and 28 of the Bylaws, an **ordinary dividend of EUR 0.05 per ordinary A-class and B-class share** be paid out for the year 2021.

On **5 May 2022**, the Shareholders' Meeting of **ProsiebenSat1** resolved to pay out an **ordinary dividend of EUR 0.8 per share** for the year 2021 (compared to EUR 0.49 the previous year). On **12 May 2022** (date of the last notification to Bafin - the Financial Supervisory Authority) the MFE Group's **aggregate shareholding** in ProsiebenSat1 was **25.01% of share capital** (25.74% of voting rights), comprising 24.26% in directly owned shares and 0.74% through financial instruments.

Business Outlook

The general context following the end of the first quarter continues to be characterised by the impact of the conflict in Ukraine and the tail of the Covid 19 which are causing a progressive deterioration in the expectations of the global and European economy.

Despite the strong uncertainty associated with such a scenario, MFE advertising sales in Italy, after a +2% in the first quarter 2022, have been maintaining a positive trend also in the first 4 months of the year, supported by the excellent performance of the overall audience for the period and the strong value proposition on the different proprietary means of the Group. For the time being, no cancellation or delay in the campaign has been discussed with the advertisers. In Spain, while Mediaset España had a positive start in the first quarter 2022 (+2.4%), in April TV advertising market is facing a tougher comparison declining double-digit compared to April 2021.

Currently, MFE Group confirms the aim to achieve positive economic results and free cash flow generation for the year 2022, thanks to its solid editorial positioning, to the high share held in the advertising market and its ability to promptly adjust the cost profile to the trend of advertising trend.

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

MFE					
Reclassified Income Statement					
	EUR million				
		1st Quarter 2022	1st Quarter 2021	Change (EUR million)	Change (%)
Consolidated net revenues		654.3	634.2	20.2	3.2%
Personal expenses		(115.7)	(117.7)	2.0	-1.7%
Purchases, services, other costs		(402.7)	(334.8)	(67.8)	20.2%
Operating costs		(518.4)	(452.6)	(65.8)	14.5%
Gross Operating Result (EBITDA)		136.0	181.6	(45.6)	-25.1%
TV Rights amortisation		(98.4)	(91.3)	(7.1)	7.7%
Other amortisation, depreciation and impairments		(22.3)	(22.4)	0.1	-0.5%
Amortisation, depreciation and impairments		(120.7)	(113.7)	(7.0)	6.1%
Operating Result (EBIT)		15.3	67.9	(52.6)	-77.5%
Financial income/(losses)		(4.0)	16.9	(20.9)	-123.6%
Result from investments accounted for using the equity method		3.9	5.3	(1.4)	-26.0%
Profit Before Tax (EBT)		15.2	90.0	(74.8)	-83.1%
Income taxes		(1.8)	(21.4)	19.6	-91.8%
Non-controlling interest in net profit		(10.7)	(16.2)	5.4	-33.6%
Group Net Profit		2.7	52.5	(49.8)	-94.9%

Reclassified Statement of financial position			
	EUR million		
		31/03/2022	31/12/2021
TV and movie rights		866.1	844.9
Goodwill		804.2	803.2
Other tangible and intangible non current assets		869.5	879.4
Equity investments and other financial assets		1,147.8	1,248.2
Net working capital and other assets/(liabilities)		216.6	382.9
Post-employment benefit plans		(58.7)	(59.2)
Net invested capital		3,845.5	4,099.5
Group shareholders' equity		2,577.2	2,661.8
Non controlling-interests		548.7	568.5
Total Shareholders' equity		3,125.9	3,230.3
Net financial position			
Debt/(Liquidity)		719.6	869.2

ITALY**Reclassified Income Statement**

EUR million

	1st Quarter 2022	1st Quarter 2021	Change (EUR million)	Change (%)
Consolidated net revenues	466.3	450.2	16.1	3.6%
Personal expenses	(84.0)	(87.4)	3.4	-3.9%
Purchases, services, other costs	(308.6)	(250.6)	(58.0)	23.1%
Operating costs	(392.7)	(338.0)	(54.6)	16.2%
Gross Operating Result (EBITDA)	73.7	112.2	(38.5)	-34.3%
TV Rights amortisation	(70.6)	(73.4)	2.8	-3.8%
Other amortisation, depreciation and impairments	(17.8)	(18.2)	0.4	-2.2%
Amortisation, depreciation and impairments	(88.4)	(91.6)	3.2	-3.5%
Operating Result (EBIT)	(14.7)	20.6	(35.3)	-171.5%
Financial income/(losses)	(3.4)	17.2	(20.6)	-119.7%
Result from investments accounted for using the equity method	3.4	4.6	(1.3)	-27.4%
Profit Before Tax (EBT)	(14.7)	42.5	(57.2)	-134.7%
Income taxes	4.1	(11.0)	15.1	-137.1%
Non-controlling interest in net profit	0.0	0.5	(0.4)	-91.0%
Group Net Profit	(10.6)	31.9	(42.5)	-133.3%

ITALY**Consolidated Net Revenues**

EUR million

	1st Quarter 2022	1st Quarter 2021	Change (EUR million)	Change (%)
Gross advertising revenues	460.9	452.0	8.8	2.0%
Agency discounts	(67.8)	(64.6)	(3.3)	-5.0%
Net advertising revenues	393.0	387.5	5.6	1.4%
Other revenues	73.3	62.8	10.6	16.8%
Consolidated Net Revenues	466.3	450.2	16.1	3.6%

SPAIN**Reclassified Income Statement**

EUR million

	1st Quarter 2022	1st Quarter 2021	Change (EUR million)	Change (%)
Consolidated net revenues	188.0	184.0	4.0	2.2%
Personal expenses	(31.7)	(30.3)	(1.4)	4.6%
Purchases, services, other costs	(94.0)	(84.2)	(9.8)	11.6%
Operating costs	(125.7)	(114.6)	(11.2)	9.7%
Gross Operating Result (EBITDA)	62.3	69.4	(7.1)	-10.3%
TV Rights amortisation	(27.9)	(18.1)	(9.9)	54.8%
Other amortisation, depreciation and impairments	(4.5)	(4.2)	(0.3)	6.8%
Amortisation, depreciation and impairments	(32.4)	(22.2)	(10.2)	45.7%
Operating Result (EBIT)	29.9	47.2	(17.3)	-36.7%
Financial income/(losses)	(0.6)	(0.4)	(0.2)	61.1%
Result from investments accounted for using the equity method	0.5	0.6	(0.1)	-10.1%
Profit Before Tax (EBT)	29.8	47.4	(17.6)	-37.1%
Income taxes	(5.8)	(10.3)	4.5	-43.6%
Non-controlling interest in net profit	(0.3)	(0.4)	0.1	-26.3%
Group Net Profit	23.7	36.7	(13.0)	-35.4%

SPAIN**Consolidated Net Revenues**

EUR million

	1st Quarter 2022	1st Quarter 2021	Change (EUR million)	Change (%)
Gross advertising revenues	175.1	171.0	4.1	2.4%
Agency discounts	(7.8)	(7.2)	(0.7)	-9.2%
Net advertising revenues	167.2	163.8	3.4	2.1%
Other revenues	20.8	20.1	0.6	3.2%
Consolidated Net Revenues	188.0	184.0	4.1	2.2%

Reclassified Cash Flow Statement		
Eur million	1st Q 2022	1st Q 2021
Net Financial Position at the beginning of the year	(869.2)	(1,064.4)
Free Cash Flow	222.4	177.5
Cash Flow from operating activities (*)	121.6	198.6
Investments in fixed assets	(129.4)	(119.6)
Disposals of fixed assets	0.5	0.3
Changes in net working capital and other current assets/liabilities	229.8	98.3
Change in the consolidation area	(0.1)	-
Equity investments/Investments in other financial assets and change of interest held in subsidiaries	(71.6)	(88.3)
Dividend received	-	-
Dividends paid	(1.1)	-
Financial Surplus/(Deficit)	149.6	89.2
Net Financial Position at 31 March	(719.6)	(975.2)

(*): 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		Spain	
Reclassified Cash Flow Statement by geographical area at 31 March	2022	2021	2022	2021
Eur milion				
Net Financial Position at the beginning of the year	(1,135.5)	(1,187.7)	266.3	123.2
Free Cash Flow	142.4	93.0	80.0	84.6
Cash Flow from operating activities (*)	64.6	130.7	57.0	67.9
Investments in fixed assets	(90.2)	(87.0)	(39.3)	(32.7)
Disposals of fixed assets	-	0.3	0.5	0.0
Changes in net working capital and other current assets/liabilities	168.0	48.9	61.8	49.3
Change in the consolidation area	(0.1)	-	-	-
Equity investments/Investments in other financial assets and change of interest held in subsidiaries	(37.5)	23.8	(34.1)	(112.2)
Dividend received	-	-	-	-
Dividends paid	(1.1)	-	-	-
Financial Surplus/(Deficit)	103.7	116.8	45.9	(27.6)
Net Financial Position at 31 March	(1,031.8)	(1,070.9)	312.3	95.6

(*): 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		Spain	
Increased in fixed assets	1st Q 2022	1st Q 2021	1st Q 2022	1st Q 2021
Eur milion				
Investments in TV and movie broadcasting rights	(83.7)	(75.8)	(36.1)	(31.4)
Changes in advances on broadcasting rights	(3.1)	(4.1)	(2.3)	(1.0)
TV and movie boadcasting rights: investments and advances	(86.8)	(79.9)	(38.3)	(32.4)
Investments in other fixed assets	(3.4)	(7.0)	(0.9)	(0.2)
Total investments in fixed assets	(90.2)	(87.0)	(39.3)	(32.7)

Alternative Performance Indicators

The income statement and balance sheet contained in this Interim Financial Report correspond to those contained in the Directors' Report on Operations accompanying the annual Consolidated Financial Statements. As such, these figures are also summarised and restated in order to highlight the intermediate aggregates considered most significant for understanding the performance of the Group and 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 non-GAAP 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 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.

EBITDA is calculated by taking the *Net result for the year* (as provided for by the International Accounting Standards), adding Income taxes, then subtracting or adding Financial income/(losses) and *Income/(expenses) from equity investments* and, finally, adding *Amortisation and depreciation*.

EBIT is calculated by taking the Net result for the year (as provided for by the International Accounting Standards), adding Income taxes, then subtracting or adding Financial income/(losses) and *Income/(expenses) from equity investments*.

EBITDA and EBIT are typical intermediate performance inputs for calculating the Net result for the year (IFRS performance measure). Although Net result 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: The most significant indicator of the Group's ability to meet its financial obligations. It is calculated by aggregating 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 minority interests in subsidiaries.

Net Invested Capital: Calculated by adding together the *Net financial position* and Group and minority shareholders' equity, this item presents the Group's total 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: Summary indicator of the cash generating capacity of continuing core business and its ability to pay dividends to shareholders and support external growth and development operations. Therefore, it is calculated as the sum of all variations in Net Financial Positions 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)