



**INTERIM  
FINANCIAL REPORT  
AT 30 SEPTEMBER 2023**

**MEDIAFOREUROPE N.V.**

Registered Office: Amsterdam, Netherlands

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

Share Capital: EUR 161,649,413.76

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

Niccolò Querci

Stefano Sala

Carlo Secchi

## Executive Committee

Pier Silvio Berlusconi

Marco Giordani

Gina Nieri

Niccolò 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

FY 2021			9M 2023		9M 2022	
EUR M	%		EUR M	%	EUR M	%
<b>2,801.2</b>	<b>100%</b>	<b>Consolidated Net Revenues</b>	<b>1,862.2</b>	<b>100%</b>	<b>1,900.1</b>	<b>100%</b>
1,937.7	69%	Italy	1,307.2	70%	1,310.9	72%
865.3	31%	Spain	555.4	30%	590.5	28%
<b>280.1</b>		<b>Operating Result (EBIT)</b>	<b>98.3</b>		<b>97.6</b>	
88.5		Italy	10.2		(14.4)	
192.4		Spain	87.9		112.9	
<b>216.9</b>		<b>Group Net Profit</b>	<b>71.0</b>		<b>78.5</b>	

## MAIN BALANCE SHEET AND FINANCIAL DATA

31-Dec-2022		30-Sep-23		30-Sep-22	
EUR M		EUR M		EUR M	
<b>3,766.8</b>	<b>Net Invested Capital</b>	<b>3,640.0</b>		<b>3,586.1</b>	
<b>2,893.6</b>	<b>Total Net Shareholders' Equity</b>	<b>2,762.6</b>		<b>2,708.8</b>	
2,667.9	Group Shareholders' Equity	2,759.7		2,499.0	
225.7	Non-Controlling Interests	2.8		209.8	
<b>873.3</b>	<b>Net Financial Position Debt/(Liquidity)</b>	<b>877.5</b>		<b>877.3</b>	
<b>366.2</b>	<b>Free Cash Flow</b>	<b>285.8</b>		<b>359.1</b>	
<b>389.0</b>	<b>Investments</b>	<b>332.9</b>		<b>306.7</b>	
<b>133.0</b>	<b>Dividends paid by the Parent Company</b>	<b>140.0</b>		<b>133.0</b>	
<b>0.9</b>	<b>Dividends paid by Subsidiaries</b>	<b>2.0</b>		<b>0.9</b>	

## PERSONNEL (\*)

31-Dec-2022			30-Sep-23		30-Sep-22	
	%			%		%
<b>4,858</b>	<b>100%</b>	<b>Workforce (headcount)</b>	<b>4,929</b>	<b>100%</b>	<b>4,903</b>	<b>100%</b>
3,321	68%	Italy	3,346	68%	3,349	68%
1,537	32%	Spain	1,583	32%	1,554	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 2022, 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 Measures*" at the end of this Interim Financial Report.

The earnings and financial figures contained in this Report refer to the first nine months of 2023 and 2022. Balance sheet figures are stated as at 30 September 2023 and as at 31 December 2022.

Unless otherwise indicated, all figures in this report are expressed in millions of euros to one decimal place, whereas the original figures have been recorded and consolidated in thousands of euros. 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 annual 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 2022 and in the "Risks and Uncertainties for the Remainder of the Year" section of the Interim Financial Report at 30 June 2023. 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 Financial Report beyond its statutory disclosure requirements.

## SIGNIFICANT EVENTS AND TRANSACTIONS IN THE THIRD QUARTER

### Equity investment in ProSiebenSat1 Media SE

As mentioned in the Interim Financial Report for the first six months of the year, MFE's 25.54% stake in the share capital of PS71 and its **26.28%** share of voting rights and economic interests have, **since 30 June 2023**, been **accounted for as investments in associates** and measured using the equity method in accordance with **IAS 28**.

**In the first six months of 2023**, because the requirements for this accounting treatment had not yet been met, the Group's entire secured investment (28.87% of share capital, 29.70% of voting rights, excluding existing treasury shares) continued to be accounted for in accordance with IFRS 9, which had been adopted in previous years and for the year ending 31 December 2022 and which provided that the carrying value of the investment should be adjusted to the stock price at the reporting date, with an offsetting entry of other comprehensive income items without reversal through profit and loss (in line with the accounting treatment applied to the related hedging derivatives) and the recognition in the income statement only of the financial income corresponding to dividends distributed and due.

This accounting treatment has been maintained during the third quarter with regard to the **residual** 3.33% stake in share capital (**3.42%** of voting rights and economic interests) held by MFE, which is hedged by financial instruments (collar with cash option or equity settlement) to protect itself against fluctuations in fair value within a predetermined range. During the period reported, MFE conducted the notification procedures with the relevant European and Austrian antitrust authorities in advance of completing the "cash settlement" unwinds of the hedging collars still outstanding on this tranche and the repayment of the residual loan taken out at the time of purchasing an initial part of the investment; these transactions would take MFE over the direct shareholding thresholds relevant for the purposes of EU and Austrian merger rules.

In relation to this investment, MFE's consolidated statement of income for the first nine months therefore included **EUR 3.1 million in financial income** – already recognised in accounts – pertaining to MFE (EUR 42.3 million in the same period of 2022) in relation to the dividends decided by PS71 at the end of the first six months of the year and paid out in July and, commencing the third quarter, EUR 3.9 million as its **pro-rated share of the net profit (26.28%)** of PS71 during the period.

After a loss-making first half of the year influenced by a significant decline in advertising revenues and by restructuring-related costs, ProSiebenSat1 Media SE returned to profit in the third quarter by taking actions to reduce its television costs and more dynamic seeking out revenues from its Commerce and Venture activities in the face of a still-challenging macroeconomic and market environment in Germany in which trends in advertising revenues were in decline compared to the same period of last year (albeit a significantly lesser decline than in the first six months).

At 30 September 2023, the carrying amount of MFE's associate investment in PS71, which (provisionally, in accordance with IFRS 3) included implicit goodwill of EUR 165.2 million over and above the corresponding portion of the Group shareholders' equity of PS71 on that date, was higher than the corresponding stock value. With this indicator, the recoverability of the carrying amount was tested based on the most recent available external evidence before the reporting date, in particular as regards the consensus stock valuation.



## SUMMARY OF OPERATING PERFORMANCE AND KEY FINANCIAL RESULTS

As in the first half of the year, the macroeconomic and market performance in Europe remained extremely uncertain due to the ongoing conflict in Ukraine, high inflationary pressures and the ECB's intention to continue on a policy of rate hikes. Both in Italy and in Spain, advertising market demand remained quite weak, even considering the low structural seasonality of investments in this part of the year. In Spain in particular, the market has yet to fully stabilise, partly related to the results of the general election held in July. In terms of advertising market performance, Italy and Spain have, however, positioned themselves better than other major countries overall since the beginning of the year.

In this respect, the Group's advertising revenues in both geographic areas in the third quarter, a period which weighs less heavily on annual revenues, nevertheless remained broadly in line with those of the same period in 2022. In Italy specifically, the trend already observed in the first six months of the year was consolidated, while in Spain the start of the autumn TV season continued a trend of recovery already noted during the second quarter. In the same period, total costs remained lower than the same period of last year, partly due to better-than-expected energy cost dynamics, whereas the trend in other revenues was afflicted by seasonal factors that last year had led to a growth in revenues generated by film distribution activities in Spain.

These trends led to a better-than-expected Group Operating Profit (EBIT) at the end of the first nine months, which was substantially in line with the figure for the same period of last year. This underpinned a positive consolidated free cash flow, which balanced out the cashflows used to complete the acquisition of Mediaset España's non-controlling shares, for the rounding of the stake in ProsiebenSat1 and for the payout of dividends that enabled consolidated net financial debt to remain unchanged as compared to 31 December 2022.

Despite the higher financial expenses and the significant reduction in financial income due to the sizeable reduction in dividends from the ProsiebenSat1 Media SE investment, the Group recorded a net profit at the end of the first nine months. In particular, following the completion of the merger by incorporation of Mediaset España Comunicación SA into MFE in the second quarter, the Group benefitted from the entire consolidation of the results of the Group's operations in Spain, which are now under the responsibility of Grupo Audiovisual Mediaset España Comunicación SA.

Furthermore, and as indicated above, commencing the third quarter of this year, MFE's shareholding (26.28% of economic rights) in ProsiebenSat1 Media SE is being consolidated using the equity method in accordance with IAS 28; in this respect, the Group's share of the investee's consolidated profit for the period of EUR 3.9 million has been recognised in the *Result from investments*.

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

**Consolidated Net Revenues** were **EUR 1,862.2 million**, down slightly (-2.0%) on the EUR 1,900.1 million recorded for the same period of last year.

Specifically, **gross advertising revenues** stood at **EUR 1,824.8 million** on a consolidated basis, down slightly (-1.2%) on the same period of last year, while **other revenues** stood at **EUR 254.0 million**, down on 2022 (-6.3%) mainly in relation to the changing trend in film distribution over the two periods, with significant takings in Spain during the third quarter of 2022 due to the cinema release of blockbusters hit films in the early autumn.

The results for **advertising revenues** were as follows:

- In **Italy**, 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) stood at EUR **1,299.1 million** at the end of the first nine months, down by -0.8% on 2022.

Advertising revenues were underpinned by excellent **viewership figures**.

According to ratings figures from Auditel, during the period reported, Mediaset networks as a whole obtained an audience share of 37.6% over the 24-hour period, 37.5% in the Day Time slot and 37.7% in Prime Time. Mediaset also confirmed its leadership with the commercial target audience (15–64 years) during the first nine months of 2023 over the 24-hour period (40.6%), in the Day Time slot (40.5%) and in Prime Time (41.0%). Among this target audience, Canale 5 was again the number one national network across all time slots. During the autumn season (from 3 September to 30 September 2023), Mediaset consolidated its leadership among the commercial target with ratings higher, as a whole, than its competitors. Generalist networks in particular obtained a share of 27.8% the 24-hour period, 28.3% in the Day Time slot and 28.1% in Prime Time among this target audience.

- In **Spain**, following a challenging market environment in the first six months of the year, advertising revenues in the third quarter gradually trended upwards to reach the same levels as last year. At the end of the first nine months, gross advertising revenues stood at **EUR 525.7 million** (EUR 538.1 million for the period ending 30 September 2022), marking a moderate decrease (-2.3%) compared to the same period of 2022.

In **ratings** terms, Mediaset España enjoyed a total audience share of 25.7% over the 24-hour period, and a 28.0% share among the commercial target. In the Prime Time slot, the Mediaset Group achieved a 24.6% share of the total audience and 26.5% of the commercial target, while its Day Time shares were 26.1% of the total audience and 28.7% of the commercial target.

**Total operating costs** for the Group's operations (personnel expenses, purchases, services, other costs, TV rights amortisation and depreciation of fixed assets) amounted to EUR **1,763.9 million**, down -2.1% on the EUR 1,802.5 million recorded in the same period of last year. In Italy in particular, the total operating costs remain at a level below that of the pre-pandemic period.

The Group made an **operating profit (EBIT)** of **EUR 98.3 million**, compared to EUR 97.6 million for the same period in 2022.

Beyond operating profit, there was a significant year-on-year increase in **financial expenses**, as consolidated net financial debt remained unchanged compared to the nine months up to 30 September 2022 and as **financial income** declined considerably (EUR -39.2 million) due to the lower dividends decided by investee ProSiebenSat1 Media SE at the end of the first six months. Moreover, in the third quarter of 2022, proceeds of EUR 5.1 million had been received as the accrued price adjustment following the sale of shares in financial investments as part of the *Media for Equity* scheme. The **income/(expense) from equity investments**, which in the third quarter included the Group's share of profit loss of ProSiebenSat1 Media SE showed an increase (EUR +1.2 million) compared to the same period in 2022.

The Group made a **Net Profit** for the period of **EUR 71.0 million** (EUR 78.5 million during the same period in 2022). This result was boosted of EUR 29.7 million by the increased holding in Spanish activities (for the first nine months of 2022, this was 55.69% in the first half of the year and 82.92% in the third quarter; in 2023, this increased to 84.45% in the first quarter of 2023 and 100% commencing the second quarter) due to the purchase of additional non-controlling shares in Mediaset España during the past 12 months (27.23% through the Voluntary Public Purchase and Exchange Offer for the entire share capital of MES launched by MFE and

completed on 14 July 2022, the 1.5% of share capital acquired in the first quarter of 2023 and the completion of the full Merger by incorporation of MES into MFE at the beginning of the second semester of 2023.

**Consolidated net financial debt** at 30 September 2023 stood at **EUR 877.5 million**, substantially unchanged with reference to the EUR 873.3 million of net debt at 31 December 2022. This was largely due to the positive **free cash flow** of **EUR 285.8 million** for the period. During the period under review, MFE paid a total of EUR 145.9 million as the cash component of the deal to acquire additional non-controlling shares in Mediaset España as part of the completion of the Merger Project and to acquire additional shares in ProSiebenSat1 Media SE, and EUR 140 million in MFE dividends distributed in the month of July. If we exclude the liabilities recognised under IFRS 16 from 2019 onwards and the residual financial payable for the equity investment in ProSiebenSat.1 Media SE, the **adjusted net financial debt** at the end of the period was **EUR 741.6 million**.

## EVENTS AFTER 30 SEPTEMBER 2023

In implementation of the resolution passed by the shareholders' general meeting of MFE-MEDIAFOREUROPE N.V. held on 7 June 2023, the **reverse stock split of ordinary class-A and class-B shares** was performed on **23 October 2023**, whereby every 5 Ordinary A-Class and B-Class Shares were merged, respectively, into 1 new Ordinary A-Class Share and 1 new Ordinary B-Class Share, without modifying the nominal value of each Ordinary A-Class Share (EUR 0.06) and Ordinary B-Class Share (EUR 0.60) before the reverse split, after having purchased and cancelled 4 Ordinary A-Class Shares and 4 Ordinary B-Class Shares and simultaneously reduced the share capital to the extent strictly necessary to keep the pre-Reverse Split nominal values of Ordinary A-Class Shares and Ordinary B-Class Shares unchanged.

Following a tender procedure, Mediaset was on **31 October 2023** awarded **exclusive broadcasting rights to the next three seasons of Coppa Italia matches**, up to the 2026/2027 season. Mediaset had already been awarded exclusive rights to the previous three seasons of the competition, including the current season which ends on 15 May 2024.

## BUSINESS OUTLOOK

In the broader context of the conflict in Ukraine, the new and serious crisis in the Middle East, and a European economic climate that remains highly uncertain and volatile, the market outlook in Italy and Spain still remains better than in other major countries.

Specifically, in October, the Group's advertising revenues in Italy saw a robust growth of 8% compared to the same month in 2022 – the highest increase in the last seven years. Projected growth in November is expected to be similar to that of October, largely due to the strong audience performance of all the Group's Italian media outlets.

In Spain, despite the continuing political uncertainty following the July elections, advertising revenues in October nonetheless outperformed those of the first half of the year. In recent weeks, the political events connected to the appointment of the new government have created fresh uncertainty and volatility in consumer spending and the advertising market.

In relation to the Group's advertising revenue at the end of the year, it is important to note that the comparison with the final months of 2022 in both Italy and Spain should be significantly favourable, as it will not be influenced by the Football World Cup held in Qatar last year, for which MFE did not hold the rights.

Therefore, the forecast of positive EBIT, Net Profit and Free Cash Flow by the year-end is confirmed, owing to both the better-than-anticipated results for the first nine months and the increased momentum of advertising revenues in the final quarter, where the majority of investments are focused.

Finally, it should be noted that the Group's earnings on annual basis will include its share of the consolidated net profit for the second half-year of ProSiebenSat1 Media SE, which, as of 30 June 2023, is accounted for using the equity method pursuant to IAS 28.

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



<b>MFE</b>		<b>9M</b>	<b>9M</b>	<b>Change (EUR</b>	<b>Change (%)</b>
<b>Reclassified Income Statement</b>	EUR million	<b>2023</b>	<b>2022</b>	<b>million)</b>	
<b>Consolidated net revenues</b>		<b>1,862.2</b>	<b>1,900.1</b>	<b>(37.9)</b>	<b>-2.0%</b>
Personal expenses		(345.5)	(343.7)	(1.7)	0.5%
Purchases, services, other costs		(1,079.2)	(1,098.4)	19.3	-1.8%
<b>Operating costs</b>		<b>(1,424.6)</b>	<b>(1,442.2)</b>	<b>17.5</b>	<b>-1.2%</b>
<b>Gross Operating Result (EBITDA)</b>		<b>437.6</b>	<b>458.0</b>	<b>(20.4)</b>	<b>-4.4%</b>
TV Rights amortisation		(278.4)	(297.4)	19.0	-6.4%
Other amortisation, depreciation and impairments		(60.9)	(62.9)	2.1	-3.3%
<b>Amortisation, depreciation and impairments</b>		<b>(339.3)</b>	<b>(360.3)</b>	<b>21.1</b>	<b>-5.8%</b>
<b>Operating Result (EBIT)</b>		<b>98.3</b>	<b>97.6</b>	<b>0.7</b>	<b>0.7%</b>
Financial income/(losses)		(17.3)	35.7	(53.0)	-148.4%
Result from investments accounted for using the equity method		13.6	12.4	1.2	9.5%
<b>Profit Before Tax</b>		<b>94.6</b>	<b>145.7</b>	<b>(51.1)</b>	<b>-35.1%</b>
Income taxes		(18.3)	(20.4)	2.1	-10.3%
Non-controlling interest in net profit		(5.4)	(46.8)	41.4	-88.5%
<b>Group Net Profit</b>		<b>71.0</b>	<b>78.5</b>	<b>(7.6)</b>	<b>-9.7%</b>

<b>MFE</b>		<b>9M</b>	<b>9M</b>	<b>Change (EUR</b>	<b>Change (%)</b>
<b>Consolidated Net Revenues</b>	EUR million	<b>2023</b>	<b>2022</b>	<b>million)</b>	
Gross advertising revenues		1,824.8	1,846.2	(21.3)	-1.2%
Agency discounts		(216.6)	(217.1)	0.5	0.2%
<b>Net advertising revenues</b>		<b>1,608.2</b>	<b>1,629.1</b>	<b>(20.8)</b>	<b>-1.3%</b>
Other revenues		254.0	271.1	(17.1)	-6.3%
<b>Consolidated Net Revenues</b>		<b>1,862.2</b>	<b>1,900.1</b>	<b>(37.9)</b>	<b>-2.0%</b>

<b>MFE Group</b>		
<b>Reclassified Statement of Financial Position</b>		
EUR million	<b>30-Sep-23</b>	<b>31-Dec-22</b>
TV and movie rights	779.4	775.3
Goodwill	804.7	804.2
Other tangible and intangible non current assets	764.1	785.1
Equity investments and other financial assets	1,040.2	956.4
Net working capital and other assets/(liabilities)	300.2	496.4
Post-employment benefit plans	(48.6)	(50.5)
<b>Net invested capital</b>	<b>3,640.0</b>	<b>3,766.8</b>
Group shareholders' equity	2,759.7	2,667.9
Non controlling-interests	2.8	225.7
<b>Total Shareholders' equity</b>	<b>2,762.6</b>	<b>2,893.6</b>
<b>Net financial position</b>		
<b>Debt/(Liquidity)</b>	<b>877.5</b>	<b>873.3</b>

<b>MFE Group</b>		
<b>Reclassified Statement of Cash Flow</b>		
EUR million	<b>9 Months 2023</b>	<b>9 Months 2022</b>
<b>Net Financial Position at the beginning of the year</b>	<b>(873.3)</b>	<b>(869.2)</b>
<b>Free Cash Flow</b>	<b>285.8</b>	<b>359.1</b>
Cash Flow from operating activities (*)	413.7	423.3
Investments in fixed assets	(332.7)	(306.7)
Disposals of fixed assets	3.7	2.3
Changes in net working capital and other current assets/liabilities	201.0	240.2
Change in the consolidation area	0.2	(0.1)
Treasury shares (sale)/buyback of the parent company and subsidiaries	-	(17.1)
Equity investments/Investments in other financial assets and change of interest held in subsidiaries	(161.7)	(275.7)
Dividend received	13.5	59.5
Dividends paid	(142.0)	(133.9)
<b>Financial Surplus/(Deficit)</b>	<b>(4.2)</b>	<b>(8.1)</b>
<b>Net Financial Position at the end of the period</b>	<b>(877.5)</b>	<b>(877.3)</b>

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



<b>ITALY</b>						
<b>Main indicators</b>		EUR million	<b>9M 2023</b>	<b>9M 2022</b>	<b>Change (EUR million)</b>	<b>Change (%)</b>
Gross advertising revenues			1,299.1	1,309.2	(10.1)	-0.8%
Agency discounts			(190.9)	(192.6)	1.7	0.9%
<b>Net advertising revenues</b>			<b>1,108.2</b>	<b>1,116.5</b>	<b>(8.4)</b>	<b>-0.7%</b>
Other revenues			199.0	194.4	4.6	2.4%
<b>Consolidated Net Revenues</b>			<b>1,307.2</b>	<b>1,310.9</b>	<b>(3.8)</b>	<b>-0.3%</b>
<b>Gross Operating Result (EBITDA)</b>			<b>258.1</b>	<b>242.7</b>	<b>15.4</b>	<b>6.3%</b>
<b>Operating Result (EBIT)</b>			<b>10.2</b>	<b>(14.4)</b>	<b>24.6</b>	<b>170.8%</b>

<b>SPAIN</b>						
<b>Main indicators</b>		EUR million	<b>9M 2023</b>	<b>9M 2022</b>	<b>Change (EUR million)</b>	<b>Change (%)</b>
Gross advertising revenues			525.7	538.1	(12.4)	-2.3%
Agency discounts			(25.7)	(24.5)	(1.2)	-5.0%
<b>Net advertising revenues</b>			<b>500.0</b>	<b>513.7</b>	<b>(13.7)</b>	<b>-2.7%</b>
Other revenues			55.4	76.9	(21.5)	-28.0%
<b>Consolidated Net Revenues</b>			<b>555.4</b>	<b>590.5</b>	<b>(35.2)</b>	<b>-6.0%</b>
<b>Gross Operating Result (EBITDA)</b>			<b>179.7</b>	<b>216.6</b>	<b>(36.9)</b>	<b>-17.0%</b>
<b>Operating Result (EBIT)</b>			<b>87.9</b>	<b>112.9</b>	<b>(25.0)</b>	<b>-22.1%</b>

## 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 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 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.

**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.

**EBIT - Operating Result** 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. EBIT is also shown in the consolidated income statement.

EBITDA and EBIT are typical intermediate performance inputs for calculating the Net result (IFRS performance measure). 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 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 Television and movie broadcasting 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 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 "Revenues 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.

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