INTERIM FINANCIAL REPORT AT 30 JUNE 2023

MEDIAFOREUROPE N.V.
Registered Office: Amsterdam, Netherlands
Headquarters and Tax Residence: Viale Europa 46, 20093 Cologno Monzese, Milan, Italy
Share Capital: EUR 808,247,071.44
Registered with the Dutch Chamber of Commerce (CCI number): 83956859
Italian Tax Code and VAT Number: IT 09032310154
Website: https://www.mfemediaforeurope.com/

Summary

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 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

FY2022 EUR M	%		1st HALF 2023 EUR M	%	1st HALF 2022 EUR M	%
2,801.2	*100%*	**Consolidated Net Revenues**	**1,369.6**	*100%*	**1,388.5**	*100%*
1,937.7	*69%*	Italy	972.8	*71%*	974.6	*70%*
865.3	*31%*	Spain	397.0	*29%*	415.2	*30%*
280.1		**Operating Result (EBIT)**	**120.9**		**112.0**	
88.5		Italy	39.0		17.1	
192.4		Spain	81.7		95.8	
216.9		**Group Net Profit**	**87.1**		**84.6**	

MAIN BALANCE SHEET AND FINANCIAL DATA

31st-Dec-22 EUR M		30th June 2023 EUR M	30th June 2022 EUR M
3,766.8	**Net Invested Capital**	**3,586.3**	**3,618.0**
2,893.6	**Total Net Shareholders' Equity**	**2,778.7**	**2,987.3**
2,667.9	Group Shareholders' Equity	2,776.2	2,439.4
225.7	Non-Controlling Interests	2.6	547.9
873.3	**Net Financial Position Debt/(Liquidity)**	**807.6**	**630.7**
366.2	**Free Cash Flow**	**220.1**	**270.2**
389.0	**Investments**	**262.9**	**228.8**
133.0	**Dividends paid by the Parent Company**	**-**	**1.2**
0.9	**Dividends paid by Subsidiaries**	**1.5**	**0.9**

PERSONNEL (*)

31st-Dec-22	%		30th June 2023	%	30th June 2022	%
4,858	*100%*	**Workforce (headcount)**	**4,919**	*100%*	**4,913**	*100%*
3,321	*68%*	Italy	3,363	*68%*	3,326	*68%*
1,537	*32%*	Spain	1,556	*32%*	1,587	*32%*

(*) Includes temporary and permanent workforce

INTRODUCTION

This Interim Financial Report (the “Report”) includes the Directors’ Interim Report on Operations, the Condensed Consolidated Interim Financial Statements and the Board of Directors' Statement required by Section 5:25d, paragraph 2 of the Dutch Financial Supervision Act.

The Condensed Consolidated Interim Financial Statements have been drawn up according to the applicable International Accounting Standards (IAS/IFRS) issued by the International Accounting Standard Board ("IASB”) and endorsed by the European Union and in accordance with the contents prescribed by IAS 34 - Interim Financial Reporting. The notes to the Condensed Consolidated Interim Financial Statements are therefore not comparable to those of complete financial statements drawn up in accordance with IAS 1 and should therefore be read in correlation with those contained in the Consolidated Financial Statements for the year ended 31 December 2022.

The accounting standards and measurement and valuation criteria used in drawing up this Interim Financial Report are consistent with those applied in drawing up the Consolidated Financial Statements as at 31 December 2022. There were no significant events or transactions during the reporting period that would have resulted in adopting accounting criteria or policies different from those used at 31 December 2022.

The structure and content of the reclassified consolidated financial statements set forth in the Interim Report on Operations are the same as those contained in the Annual Report. The alternative performance measures (APMs) contained in these statements are summarised in the section entitled “Definition and reconciliation of alternative performance measures (APMs or non-GAAP measures)” at the end of the Directors' Interim Report on Operations.

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 applies to all percentages relating to changes between two periods or percentages of net revenue or other indicators.

During the first half of the year, the Group started the gap analysis activities of the new disclosure obligations on non-financial reporting with particular reference to compliance with the Corporate Sustainability Reporting Directive - CSRD adopted by the European Parliament on 10 November 2022 and published in the Official Gazette on 16 December 2022. This Directive will be applicable for MFE starting from the Consolidated Annual Report of MFE for the 2024 financial year (approved and published in 2025) to be prepared in accordance with the European Standards for Sustainability Reporting (European Sustainability Reporting Standards - ESRS) which will be issued by the European Financial Reporting Advisory Group (EFRAG).

The language of this 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 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 preparing this Report.

The 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 the Main Risks and Uncertainties to which the Group is Exposed" section of the Annual Report for the year ending 31 December 2022. These factors may not be exhaustive and should be read in conjunction with the other precautionary statements included in this 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 Financial Report beyond its statutory disclosure requirements.

This Condensed Consolidated Interim Financial Statements contained in this Report has undergone a review by Deloitte Accountants B.V.

DIRECTORS' INTERIM REPORT ON OPERATIONS AT 30 JUNE 2023

SIGNIFICANT EVENTS AND TRANSACTIONS IN THE FIRST HALF OF THE YEAR

Cross-Border Merger by Incorporation of Mediaset España Comunicación, S.A. into MFE MEDIAFOREUROPE N.V. (the Merger)

In the first months of the year, steps towards the strategic and operational integration of MFE and its subsidiary Mediaset España Comunicación, S.A. ("MES") were completed as part of the project to create a pan-European media and entertainment group which, starting out from the leading positions held in domestic markets, would forge a better competitive position with the potential to expand into other European countries.

These steps executed the resolutions of the Boards of Directors and Shareholders' Meetings of MFE and MES of **30 January** 2023 and **15 March 2023**, respectively, following the Voluntary Public Purchase and Exchange Offer launched by MFE on 7 June 2022 for the entire share capital of MES, which was closed on 14 July 2022. Under this deal, MFE became the holder of a 82.92% shareholding in MES.

- On **16 March 2023**, **MFE purchased shares representing approximately 1.53% of share capital in MES** from certain MES shareholders (including Vivendi SE and some private equity funds). These shareholders had previously informed MFE at MES's Shareholders' Meeting of 15 March that they did not oppose the Merger but intended to divest their stakes. The price of these acquisitions was EUR 3.2450 per share, with the total consideration standing at EUR 15.5 million. The acquisition price included in a total discount of 4.04% per annum as compared to the settlement price of EUR 3.2687 per MES. This is because the acquisitions were transacted before payment was made to the MES shareholders exercising their withdrawal right on account of not approving the Merger.

- On **25 April 2023**, **MES transferred** (the "**Transfer**") its assets (including its investments in other companies) and liabilities (except for a portion of its liquidity), its investment in ProSiebenSat.1 Media SE (13.18% of share capital) and the financial assets and liabilities related to that investment **to Grupo Audiovisual Mediaset España Comunicación**, **S.A.** ("GA Mediaset"), a wholly-owned subsidiary of MES.

- On **28 April 2023**, MES paid out a total settlement of EUR 56.1 million to shareholders exercising their **right of withdrawal**.

- On **2 May 2023**, the Certificate of Cross-Border Merger by Incorporation of MES (the mergee company) into MFE (the merger company) was signed, entering into effect on 3 May 2023 at 00:00. As provided for in the common merger plan, the Merger entailed the cancellation of all MES shares in circulation (representing a total of 10.078% of share capital in MES) and an increase in the share capital of MFE by allocating, in a share exchange with the former shareholders of MES other than MFE and MES itself, 220,934,896 new MFE ordinary "A" class shares, each with a par value of EUR 0.06 and each carrying one voting right, to MES shareholders (excluding MES shares held by MES itself or held by MFE immediately before the Merger came into effect) at the predetermined ratio of seven new MFE A-Class Shares per one MES share. As a consequence, the subscribed and paid-up share capital of MFE increased from EUR 800.3 million to EUR 813.6 million. As of the same date, the new MFE A-Class Shares became tradable on Euronext Milano, an Italian regulated market organised and managed by Borsa Italiana S.p.A.

- On the same date, **all 88,707,693 MFE A-Class treasury shares owned by MFE were cancelled**, with MFE's issued share capital reduced accordingly. As a consequence, the subscribed and paid-up share capital of MFE decreased from EUR 813.6 million to EUR 808.2 million.

As a result of the Merger and the transactions that led to it, MFE's wholly owned subsidiary **GA Mediaset** now manages all core activities of the MFE group in Spain, which entails managing operations, investments, employees, content production and payment of taxes in Spain. Furthermore **MFE** directly holds – through a Spanish branch – the assets and liabilities that were held by MES following the Transfer, consisting of liquidity, the investment in ProSiebenSat.1 Media SE and the financial assets and liabilities related to this investment.

As a result of these transactions, which are treated in these Condensed Consolidated Interim Financial Statements for the period ending 30 June 2023 as Equity transactions, the results of the Group's Spanish operations attributable to MES have been consolidated on the basis of a 84.45% shareholding held by the Group in the first quarter and a 100% shareholding in the second quarter of the year. The consolidation of the total shareholding held by the Group starting from April instead of May (effective date of the merger) did not have significant impacts in terms of group net result and reclassification of profits pertaining to non-controlling interest to those pertaining to the Group.

On **14 June 2023**, as provided for in the common merger plan and on the basis of a specific listing application, MFE A-class ordinary shares (ISIN NL0015000MZ1), each with a par value of EUR 0.06 and carrying one voting right each (the "MFE Shares"), were listed for trading on the Spanish Stock Exchanges of Barcelona, Bilbao, Madrid and Valencia organised and managed by the relevant stock market management companies (Sociedades Rectoras de las Bolsas de Valores). Since that date, MFE A-class Shares have been listed both on the Euronext Milan (an Italian regulated market managed by Borsa Italiana S.p.A.) with the ticker "MFE A" and on the Spanish Stock Exchanges (where ordinary shares in MES were listed before the completion of the Merger) with the ticker "MFEA."

Equity investment in ProSiebenSat1 Media SE

On **19 May 2023**, MFE acquired an additional stake in **ProsiebenSat1 Media SE (**"PS71") thus increasing its total shareholding (including both investments held directly and through financial instruments) from **25.01% on 31 December 2022 to 28.87% of share capital** (of which 26.58% held directly and 2.29% secured through securities lending instruments). Excluding the treasury shares held on 31 December 2022, this shareholding corresponds to **29.70% of current voting rights** (of which 27.34% held directly and 2.35% through financial instruments).

The transaction delivered on the binding share purchase agreements and the reverse collar cash settlement agreements hedging the share purchase price, which had been signed with a leading financial counterparty on 17 February 2023 (conditional on obtaining clearance from the European and Austrian antitrust authorities). The closing followed the notices received on 3 March from the European Commission's Directorate General for Competition (which the Austrian Federal Competition Authority also took note of), which found that the share purchase agreement in question did not entail acquiring *de facto* control of P7S1 and that, therefore, there was no obligation to notify the transaction under EU merger control rules.

On **27 April 2023**, PS71 reported the **results of its 2022 Consolidated Financial Statements**, which showed a EUR 5 million net profit attributable to the parent company's shareholders, as compared to a net profit of EUR

456 million the year before. The approval of PS71's 2022 Consolidated Financial Statements was originally planned for 1 March, but this was delayed after the German Federal Financial Supervisory Authority ("BaFin") initiated proceedings in late February regarding the statutory requirements of two subsidiaries operating in the voucher sales sector to operate in compliance with the German Payment Services Supervision Act. The company also disclosed that in connection with the ongoing investigations initiated by the Public Prosecutor's Office in Munich into the possibility of unlawful conduct by the two companies in relation to these activities, the PS71 Group is exposed to a contingent liability that could not be estimated at the approval date of the 2022 Annual Report but which could be substantial. However, the amount of these significant liabilities should not affect the valuation of the investment held by MFE at 30 June 2023 (which is in line with its fair value). At the approval date of this Interim report, PS71 has not disclosed any further updates or information to the market on the progress of these proceedings or on the estimated contingent liability.

On the same date, the Executive Committee and Supervisory Board of PS71 also announced changes to the company's dividend policy, which take effect this year. Based on these criteria and the state of the economy this year, which continues to be affected by the ongoing Russian-Ukrainian conflict, these boards drafted a proposal to pay out a dividend of EUR 0.05 per share in 2023 on the results of the 2022 financial year, a significant reduction on the dividend of EUR 0.80 paid out last year. This proposal was approved by the Shareholders' Annual General Meeting on 30 June and was paid out in the first half of July. Therefore, in the Condensed Consolidated Interim Statement of Financial Position at 30 June 2023, MFE recognised a financial income of EUR 3.1 million, compared to EUR 42.3 million for the same period in 2022.

On **30 June 2023**, the Shareholders' Annual General Meeting of PS71, which was attended by shareholders representing approximately 59.22% of exercisable voting rights and at which MFE had a 27.34% share of voting rights, also resolved by majority vote to appoint 4 members (2 of which nominated by MFE) of the 9-member Supervisory Board, the body responsible for monitoring the management of the Company and overseeing the Executive Board, which is therefore directly involved in all major corporate decisions.

As part of PS71's dual governance structure, the Company's 9-member policy-making and control body supervises and oversees the Executive Board's management of the Company and is therefore directly involved in all major corporate decisions.

As reported in detail in *Note 3. Key Information relating to the Scope of Consolidation and Transactions in the First Half of the Year*, these appointments mean that, beginning 30 June, MFE can be considered as meeting the first and most important presumptive indicator of significant influence set forth in IAS 28, paragraph 6a (representation on the board of directors or equivalent governing body of the investee).

From that date, based on these new facts and circumstances, MFE's 25.54% stake in the share capital of PS71 and its 26.28% share of voting rights and economic interests are reclassified as an **investment in associates** in MFE's Consolidated Statement of Financial Position at 30 June. This is measured using the equity method in accordance with IAS 28.

In the six months 2023 up to 30 June, the entire share of the investment in PS71 remained subject to the accounting treatment accounted in accordance with IFRS 9, which had already been adopted in previous years and at 31 December 2022

Payment of contribution to network operators.

Under the Ministerial Decree of **21 March 2023** issued by the Ministry of Enterprise and Made in Italy, and following an application filed on 23 December 2022, Elettronica Industriale was reimbursed EUR 8.4 million (80% of eligible costs) as the second and final tranche of the contribution to which network operators were entitled for upgrade costs incurred after 8 February 2022 in connection with the refarming of frequencies and preparing for the transition of television broadcasting facilities. As required by applicable accounting standards, these grants have been accounted for in these Condensed Interim Consolidated Financial Statements by applying a direct reduction to the operating costs and carrying amount of the fixed assets previously recognised in accounts, which have had a positive impact of EUR 4.9 million for the period in terms of lower costs and depreciation.

Under this decree, Elettronica Industriale was also reimbursed EUR 4.3 million in addition to the EUR 29.8 million already collected as the first tranche of contribution in accordance with the EUR 34.1 million grant foreseen by the Ministerial Decree of 27 June 2022 to cover 80% of the eligible expenses incurred between 1 December 2020 and 8 February 2022.

This latest tranche was for a total of EUR 12.7 million and was reimbursed to Elettronica Industriale in the second quarter of the year.

MFE approves distribution of dividends

On **7 June 2023**, the General Shareholders' Meeting of MFE approved the distribution of a dividend of EUR 0.05 per ordinary MFE A-class and MFE B-class share in circulation on the ex-dividend date of each coupon (thus excluding treasury shares at that date). These dividends, amounting to a total of **EUR 140.1 million**, were paid out on **26 July 2023** (with an ex-dividend date of 24 July 2023 and a record date of 25 July 2023).

SUMMARY OF OPERATING PERFORMANCE AND KEY FINANCIAL RESULTS

In the first part of the current year, the international geo-political situation remained uncertain due to the ongoing conflict in Ukraine and high inflationary pressures. Although energy prices slowly trended back towards normal, core inflation rates remained high and central banks showed a continued propensity for rate hikes, causing demand to remain weak in both Italy and Spain. However, in both of the Group's geographic areas, the trend in gross domestic product has been progressively positive, performing better than originally forecast and going against the trend in other EU countries. In Spain in particular, GDP figures recovered to pre-pandemic levels in the six-month period, albeit they still lag behind the EU average.

Despite these external factors, the MFE Group's advertising revenues substantially held up during the period even when compared to the early part of the first six months of last year in which the conflict had yet to begin and so had not yet affected the growing advertising revenues. In June in particular, these advertising revenues were also impacted by exogenous events (the death of the Group's founder in Italy and the calling of early July elections in Spain), which required changes to programming and a repositioning for the upcoming advertising period, which had already been planned. The general stability of revenues, amid operating costs that were lower than in 2022, allowed the Group to achieve an even greater operating profit (EBIT) than in the same period in 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 higher Net profit for the period than for the same period in 2022. In particular, following the completion of the merger by incorporation of Mediaset España Comunicación S.A 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 S.A.

Consolidated free cash flow was also decidedly positive, leading to a reduction in consolidated net financial position as compared to the situation at 31 December 2022.

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

Consolidated net revenues amounted to **EUR 1,369.6 million**, down slightly compared to the **EUR 1,388.5 million** recorded in the first half of 2022. Specifically, **gross advertising revenues** stood at **EUR 1,343.7 million** on a consolidated basis, down slightly (-1.4%) on the same period of last year, which was still supported by growth compared to 2021. **Other revenues** were largely unchanged from 2022 at **EUR 187.0 million**.

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) remained substantially unchanged compared to the same period of last year at EUR 970.4 million , marking a decrease of -0.6% compared to the first half of 2022, a period in which revenues – still supported by first quarter growth – bucked the trend by performing largely in line with 2021.

Mediaset's 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, 37.6% in the Day Time slot and 37.8% in Prime Time. Mediaset also maintained its leadership among the commercial target audience (15–64 years) during the first six months of 2023 over the 24-hour period (41.0%), in the Day Time slot (40.7%) and in Prime Time (41.3%). Among this target audience, Canale 5 was again the number one national network across all time slots. In the spring season (8

January to 10 June 2023), Mediaset maintained its leadership among the commercial target with higher ratings than competitors. Generalist networks in particular obtained a share of 29.1% the 24-hour period, 29.3% in the Day Time slot and 30.7% in Prime Time among this target audience.

In **Spain**, in an advertising market that proved challenging during the first two months of the year before picking up gradually in the following months, the Group achieved gross advertising revenues of **EUR 373.2 million** (EUR 385.8 million for the period ended 30 June 2022) for a decrease of -3.3%.

In **ratings** terms, the television programming of Grupo Audiovisual Mediaset España enjoyed a total audience share of 26.1% over the 24-hour period, and a 28.5% share among the commercial target. In the Prime Time slot, the Mediaset España Group achieved a 24.8% share of the total audience and 26.7% of the commercial target, while its Day Time shares were 26.8% of the total audience and 29.3% of the commercial target.

Other revenues amounted to EUR **187.0 million** on a consolidated basis, largely in line with the EUR 187.3 million recorded for the same period of last year. In Italy, the trend for the period was slight growth (+ EUR 3.3 million) driven by the consolidated recovery of Medusa's film distribution business and by advertising sales on third-party media, both of which offset the discontinuation of the transmission capacity rentals to third parties which had featured in the first half of last year. In Spain, other revenues (mainly content sales, film distribution, Mitele Plus streaming subscriptions) stood at EUR 42.0 million, compared to EUR 46.8 million recorded in the same period of last year. This figure was mainly affected by the lower revenues generated from content sales.

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 **1,248.7 million**, down -2.2% on the EUR 1,276.5 million recorded in the same period of last year.

Operating profit (EBIT) was **EUR 120.9 million**, up on the EUR 112.0 million recorded for the same period in 2022. Operating profitability stood at 8.8%, compared to the 8.1% recorded in the same period in 2022.

Beyond operating profit, there was a significant decline in **financial income**, mainly due to the sharp **reduction in the dividends announced by investee ProsiebenSat1 Media SE**, meaning that the dividend income due to MFE was EUR 39.2 million lower than for the same period in 2022. As highlighted above, this investment was reclassified as an investment in associates in MFE's Consolidated Statement of Financial Position at 30 June and, therefore, will be measured using the equity method in accordance with IAS 28, with the Group's share of the consolidated net profit of ProsiebenSat1 Media SE reflected on the *Result of equity investments accounted for using the equity method* line of the Consolidated Statement of Income.

The Group made a **net profit** for the period of **EUR 87.1 million**, thus improving on its EUR 84.6 million in profits recorded in the previous year. This result was boosted to the tune of EUR 28.5 million by the increased interest in Spanish activities (from 55.69% in the first half of 2022, to 84.45% in the first quarter of 2023, to 100% in the second quarter of 2023) due to the purchase of additional non-controlling interests 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 in March 2022 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 quarter of 2023).

Consolidated Net Financial Position at 30 June 2023 stood at EUR 807.6 million, a reduction on the EUR 873.3 million of debt at 31 December 2022. This was largely due to the positive **free cash flow** of **EUR 220.1 million** for the period. During the six-month period, MFE paid EUR 145.9 million as the cash component of the deal to acquire additional non-controlling interests in Mediaset España as part of the completion of the Merger Project and to acquire additional shares in ProsiebenSat1 Media SE. Excluding the liabilities recognised under IFRS 16 from 2019 onwards and the residual financial payable for the equity investments in ProsiebenSat.1 Media SE, **Adjusted Net Financial Position at the reporting date** was EUR **669.1 million**.

RISKS AND UNCERTAINTIES FOR THE REMAINDER OF THE YEAR

As reported in the Directors' Report on Operations in the 2022 Annual Report, to which reference should be made for more details, the Group is structurally exposed to exogenous risks that could potentially threaten the sustainability of its business model and risks concerning its positioning among its competitors (macroeconomic and advertising market developments, trends in the content demand and usage, also with regard to trends in the demographic and social makeup of the population, fragmentation of the competitive environment and the risks of disintermediation by new operators operating globally, trends in domestic and international legislation) and internal (management of key market maturity, development of new supply/product models and international development, management and development of human and technological skills, management of the main operating processes aimed at safeguarding business continuity even in external crises and emergency situations, financial risk management, and legal and compliance risks).

As reported above, during the period under review, the wider international context was again characterised by the enduring conflict in Ukraine. Furthermore, despite a gradual fall-off in the prices of energy and raw materials in the first half of the year, the macro economic outlook is still affected by high inflation, the restrictive monetary policies adopted by central banks to tame the price increases and by the contraction in demand, private consumption and investment, albeit partly expected.

As previously mentioned in the 2022 Annual Report, although the Group is not directly exposed in terms of the location of its operations, its financial and equity assets, and its revenues and costs with counterparties in the countries involved in the conflict, it is naturally indirectly exposed during this critical phase to exogenous impacts related to the economy's development, in particular to trends in private consumption. These factors in turn influence trends in the advertising spending of clients. However, during the first months of the year, almost all of the Group's advertising sales were generated by sectors which experienced positive sales trends.

At present, besides the ingoing geopolitical instability caused by the conflict in Ukraine, the main factors of risk and uncertainty that could affect the group's economic and financial results during the rest of the year relate to macroeconomic factors, such as the cool-down in the inflation of non-energy components (which in the Eurozone in particular could still take place slowly) and the expectation of further interest rate hikes already announced by the ECB to tackle inflation, which in the coming months could be a factor that weakens consumption, especially of durable goods.

Based on the evidence currently available, GDP growth estimates for the current year have been gradually revised upward over the period in both Italy and Spain, where data is slightly better than the weak average figures for the Eurozone as a whole. According to the latest GDP forecasts currently available for this year, the forecast stands at around +1% for Italy and at slightly above 2% for Spain, the last of the European countries that, in early 2023, recovered to pre-pandemic levels. Inflation for the current year is estimated to be around 5.6% for Italy and 3.7% for Spain, which are both below initial expectations.

However, given its high share of the advertising market and ratings figures, the broad sectorial diversification of its customers and its cost structure, the Group has adequate management levers in place to prospectively protect its cash generation in the face of these factors and to curb the impacts on its operating margins that could result from lower-than-expected trends in advertising revenues.

In addition, the Group's implementation of its policies and hedging strategies means that it is not substantially exposed to significant economic and financial risks relating to the forecast trends in interest and exchange rates, nor did the Group shows any signs of the quality of its trade receivables deteriorating during the first part of the year. On the contrary, it recorded a positive free cash flow that in was in line with the same period last year.

The Group is constantly operating with the aim of further enhancing its financial soundness in terms of its the structure, composition and counterparty diversification of its debt, its committed loan-to-value ratio, the extension of average maturity dates and the optimisation of low-cost conditions, and its availability to credit facilities in respect of average utilisation. In accordance with its Liquidity Risk Policy, average consolidated financial exposure must not exceed 80% of all agreed credit facilities, with at least 20% of credit facilities remaining available at all times. On average, 45% of MFE's credit facilities were available and unutilised during the first half of this year.

Specifically, in addition to the residual financial liabilities related to the investment in ProsiebenSat1, at 30 June 2023 the MFE Group had EUR 1,582 million in total committed credit facilities, of which EUR 515 million unutilised and readily available. These facilities include EUR 215 million falling due within the next 12 months.

As at the reporting date, the economic and financial ratios underlying the existing financial covenants in place for the main credit facilities entered into by the Group, which are monitored on a half-year basis, were markedly below the maximum allowable limits. Based on the evidence and elements currently available, it is reasonable to expect that these parameters will also be satisfied during the next 12 months.

Therefore, although it acknowledges the uncertainties relating to trends in its reference market, the Group will continue to operate during the remainder of the year with a strong market position and a robust financial footing, with the operational flexibility of its own editorial and commercial products to constantly adapt its cost profile to the changing environment without having to compromise its cash generation capacities, while also continuing to pursue international expansion and development drives. Based on the facts currently observable, there are no elements of risk or uncertainty to the Directors that could compromise business continuity.

BUSINESS OUTLOOK

The macroeconomic and market developments in Europe are still uncertain also in the light of the forthcoming ECB decisions on interest rates. In this context, Italy and Spain seem to have a better positioning than the other main countries.

The advertising market is still characterized by high volatility and poor visibility for the end of the year: in Italy, the collection of the third quarter, a period characterized by a lower weight on annual revenues, should remain aligned with that of 2022, while in Spain the market is not yet fully stabilized and could suffer from the outcome of the recent general elections.

For the remaining part of the year, in a still uncertain economic context, the performance of the Group's advertising revenue will be partially favoured by a period of favourable comparison with last year, characterised by the World Cup in Qatar of which it did not hold the rights.

As for tv audience, in Italy the positive trend continues during the first part of the summer. In Spain, the audience is significantly improved compared to the first part of the year.

Also in the coming months, the Group will remain focused on a careful balance between the production of original content, innovation, digitization and control of the costs of its editorial offer.

Based on the characteristic results achieved in the first part of the year - better than the initial estimates - the Group confirms its expectation to consolidate a positive Operating Result, Net Result and Free Cash Flow on an annual basis.

The Group's financial results in the second half will include, for the Group's share, the consolidated net result of MFE's participation in ProsiebenSat1 Media SE which, as of 30 June 2023, is measured using the equity method in accordance with IAS 28.

CONSOLIDATED FINANCIAL STATEMENTS (RECLASSIFIED) AND SECTOR INFORMATION

MFE Reclassified Income Statement

EUR million	1st HALF 2023	1st HALF 2022	Change (EUR million)	Change (%)
Consolidated net revenues	**1,369.6**	**1,388.5**	**(18.9)**	**-1.4%**
Personal expenses	(238.0)	(235.1)	(2.9)	1.2%
Purchases, services, other costs	(782.2)	(801.9)	19.7	-2.5%
Operating costs	(1,020.2)	(1,037.0)	16.8	-1.6%
Gross Operating Result (EBITDA)	**349.5**	**351.6**	**(2.1)**	**-0.6%**
TV Rights amortisation	(187.9)	(199.4)	11.5	-5.8%
Other amortisation, depreciation and impairments	(40.6)	(40.2)	(0.4)	1.1%
Amortisation, depreciation and impairments	(228.5)	(239.6)	11.1	-4.6%
Operating Result (EBIT)	**120.9**	**112.0**	**9.0**	**8.0%**
Financial income/(losses)	(9.8)	35.4	(45.2)	-127.8%
Result from investments accounted for using the equity method	7.2	9.2	(2.0)	-21.9%
Profit Before Tax (EBT)	**118.3**	**156.6**	**(38.3)**	**-24.5%**
Income taxes	(26.4)	(29.2)	2.8	-9.6%
Non-controlling interest in net profit	(4.8)	(42.9)	38.0	-88.7%
Group Net Profit	**87.1**	**84.6**	**2.5**	**3.0%**

MFE Consolidated Net Revenues

EUR million	1st HALF 2023	1st HALF 2022	Change (EUR million)	Change (%)
Gross advertising revenues	1,343.7	1,362.3	-18.6	-1.4%
Agency discounts	(161.0)	(161.1)	0.1	0.1%
Net advertising revenues	1,182.7	1,201.1	-18.5	-1.5%
Other revenues	187.0	187.3	-0.4	-0.2%
Consolidated Net Revenues	**1,369.6**	**1,388.5**	**-18.9**	**-1.4%**

MFE Group Reclassified Statement of Financial Position EUR million	30/06/2023	31/12/2022
TV and movie rights	814.2	775.3
Goodwill	804.3	804.2
Other tangible and intangible non current assets	767.6	785.1
Equity investments and other financial assets	1,048.0	956.4
Net working capital and other assets/(liabilities)	200.8	496.4
Post-employment benefit plans	(48.7)	(50.5)
Net invested capital	**3,586.3**	**3,766.8**
Group shareholders' equity	2,776.2	2,667.9
Non-controlling-interests	2.6	225.7
Total Shareholders' equity	**2,778.7**	**2,893.6**
Net financial position Debt/(Liquidity)	**807.6**	**873.3**

eclassified

MFE Group Reclassified Statement of Cash Flow EUR milion	1° Half 2023	1° Half 2022
Net Financial Position at the beginning of the year	**(873.3)**	**(869.2)**
Free Cash Flow	**220.1**	**270.2**
Cash Flow from operating activities (*)	332.4	309.3
Investments in fixed assets	(262.9)	(228.8)
Disposals of fixed assets	2.8	0.2
Changes in net working capital and other current assets/liabilities	147.7	189.4
Change in the consolidation area	-	(0.1)
Treasury shares (sale)/buyback of the parent company and subsidiaries	-	-
Equity investments/Investments in other financial assets and change of interest held in subsidiaries other financial assets	(159.4)	(84.5)
Dividend received	6.6	54.9
Dividends paid	(1.5)	(2.0)
Financial Surplus/(Deficit)	**65.7**	**238.5**
Net Financial Position at the end of the period	**(807.6)**	**(630.7)**

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

ITALY Main indicators (EUR million)	1st HALF 2023	1st HALF 2022	Change (EUR million)	Change (%)
Gross advertising revenues	970.4	976.4	-6.1	-0.6%
Agency discounts	(142.7)	(143.7)	1.0	0.7%
Net advertising revenues	827.6	832.7	-5.1	-0.6%
Other revenues	145.2	141.9	3.3	2.3%
Consolidated Net Revenues	**972.8**	**974.6**	**-1.8**	**-0.2%**
Gross Operating Result (EBITDA)	**208.2**	**188.3**	**19.9**	**10.5%**
Operating Result (EBIT)	**39.0**	**17.1**	**21.9**	**128.4%**

SPAIN Main indicators (EUR million)	1st HALF 2023	1st HALF 2022	Change (EUR million)	Change (%)
Gross advertising revenues	373.2	385.8	-12.6	-3.3%
Agency discounts	(18.3)	(17.4)	(0.9)	-4.9%
Net advertising revenues	355.0	368.4	-13.5	-3.7%
Other revenues	42.0	46.8	-4.7	-10.1%
Consolidated Net Revenues	**397.0**	**415.2**	**-18.2**	**-4.4%**
Gross Operating Result (EBITDA)	**141.3**	**164.4**	**(23.1)**	**-14.1%**
Operating Result (EBIT)	**81.7**	**95.8**	**(14.2)**	**-14.8%**

DEFINITION AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (APMS OR NON-GAAP MEASURES)

In this Directors' Report on Operations, the income statement, balance sheet and cash flow statement have been reclassified to highlight the intermediate aggregates considered most significant for understanding the performance of the Group and of the main sectors in which it operates. These figures are provided where so required by the guidance contained in Disclosure ESMA/2015/1415 issued by the European Securities and Markets Authority (ESMA). Alternative Performance Indicators supplement the information required by IFRS and help to better understand the Group's economic, financial and balance sheet position. Alternative Performance Measures can serve to facilitate comparisons with groups operating in the same industry. In some cases, however, the calculation method applied may differ from those applied by other companies. Therefore, these data should be considered complementary to, and not a substitute for, the IFRS measures to which they relate.

The Alternative Performance Measures (APMs) included in this Interim Report 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 for the period* (IFRS performance measure). Although the Net profit 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 Consolidated Statement of Financial Position items *Non-current financial payables and liabilities*, *Payables to banks* and *Current financial liabilities* and subtracting *Cash and cash equivalents* and *Current financial assets*, with adjustments made to those items to exclude the following: (i) the fair value of derivatives hedging foreign exchange risk, except for the part exceeding the change in the foreign-currency payables hedged. (ii) the fair value of derivative instruments hedging equity instruments; and (iii) loans granted to associates and financial liabilities on options on Non-controlling interests in subsidiaries.

Net 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.

The following statements show the **reconciliations** of the alternative performance measures as of 30 June 2023, 30 June 2022 and 31 December 2022, compared to key IFRS items.

EBITDA Reconciliation	1H 2023	1H 2022
Net profit for the year	91.9	127.4
+ Income taxes	26.4	29.2
+/- Financial income/(losses)	9.8	(35.4)
+/- Result from investments accounted for using the equity method	(7.2)	(9.2)
+ Depreciation, amortisation and impairments	228.5	239.6
Gross Operating Result (EBITDA)	**349.5**	**351.6**

EBIT Reconciliation	1H 2023	1H 2022
Net profit for the period	91.9	127.4
+ Income taxes	26.4	29.2
+/- Financial income/(losses)	9.8	(35.4)
+/- Result from investments accounted for using the equity method	(7.2)	(9.2)
Operating Result (EBIT)	**120.9**	**112.0**

Reconciliation of Net Financial Position	30/06/2023	31/12/2022
Current financial assets	28.1	34.1
Cash and cash equivalents	452.8	522.5
Payables and financial liabilities	(954.8)	(1,095.6)
Payables to: banks	(258.8)	(265.2)
Other financial liabilities	(70.8)	(78.6)
Difference on derivatives [1]	(9.2)	0.2
Difference on receivables and loans [2]	5.0	9.2
Net Financial Position	**(807.6)**	**(873.3)**

[1] Differences on derivatives consists of: (i) the fair value of exchange rate derivatives, except for the ineffective part of the cash flow hedge; and (ii) the fair value of derivatives to hedge equity investments.

[2] Differences on receivables and loans consists of loans to associates and financial liabilities for options on non-controlling interests in subsidiaries.

Reconciliation of Net Invested Capital	30/06/2023	31/12/2022
Group and non-controlling interest shareholders' equity	2,778.7	2,893.6
+/- Net financial position ((Debt)/Liquidity)	(807.6)	(873.3)
Net Invested Capital	**3,586.4**	**3,766.9**

Reconciliation of Free Cash Flow	1H 2023	1H 2022
Net cash flow from operating activities	466.9	461.2
+/- Proceeds from the sale of fixed assets	0.1	
+/- Payments for Investments in TV and movie broadcasting rights	(210.4)	(178.9)
+/- Payments for investments in other fixed assets	(25.7)	(23.9)
+/- Interest paid	(15.0)	(5.3)
+ Government grants	3.8	-
+/- Other adjustments	1.7	17.2
Free Cash Flow	**221.4**	**270.2**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND EXPLANATORY NOTES

MFE-MEDIAFOREUROPE GROUP

Condensed Consolidated interim Statement of Income

INCOME STATEMENT	Notes	1H 2023	1H 2022
Revenues from sales of goods and services	4.1	**1,357.5**	**1,375.8**
Other income		**12.2**	**12.7**
Personnel expenses	4.2	238.0	235.1
Purchases, services, other costs	4.3	782.2	801.9
Amortisation, Depreciation and impairments	4.4	228.5	239.6
TOTAL COSTS		**1,248.7**	**1,276.5**
Operating result		**120.9**	**112.0**
Financial expenses	4.5	(34.1)	(29.6)
Financial income	4.5	24.3	65.0
Result from investments accounted for using the equity method	4.6	7.2	9.2
Profit before tax		**118.3**	**156.6**
Income taxes	4.7	(26.4)	(29.2)
NET PROFIT FOR THE YEAR		**91.9**	**127.4**
Attributable to:			
- Equity shareholders of the parent company		87.1	84.6
- Non-controlling interests		4.8	42.9
Earnings per share	4.8		
- Basic		0.03	0.04
- Diluted		0.03	0.04

MFE-MEDIAFOREUROPE GROUP

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Notes	1H 2023	1H 2022
NET PROFIT FOR THE YEAR (A):		**91.9**	**127.4**
Other Comprehensive income/(loss) that may be subsequently reclassified to profit and loss		(7.4)	15.4
Effective portion of gains and losses on hedging instruments (cash flow hedge)	6.1	(9.7)	19.9
Share of other comprehensive income of associates and joint ventures	6.2	(0.1)	0.2
Tax effect		2.3	(4.8)
Other Comprehensive income/(loss) that will not be reclassified to profit and loss		16.7	(266.7)
Gains and losses on options valuation	6.1	(0.4)	31.1
Other gains and losses on investments at FVOCI	6.1	17.4	(299.5)
Tax effect		(0.3)	1.7
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) NET OF TAX EFFECTS (B)		**9.3**	**(251.3)**
TOTAL COMPREHENSIVE INCOME (A + B)		**101.2**	**(123.9)**
attributable to:			
- Equity shareholders of the parent company		92.2	(106.1)
- non controlling interests		9.0	(17.8)

MFE-MEDIAFOREUROPE GROUP

Condensed Consolidated interim Statement of Financial Position

ASSETS	Notes	30/06/2023	31/12/2022
NON-CURRENT ASSETS			
Property, plant and equipment	5.1	281.7	285.7
TV and movie rights	5.2	814.2	775.3
Goodwill	5.2	804.3	804.2
Other intangible assets	5.2	486.0	499.3
Investments in associates and joint venture	5.4	936.6	425.7
Other financial assets	5.4	137.0	576.0
Deferred tax assets	5.5	347.5	357.6
TOTAL NON-CURRENT ASSETS		3,807.3	3,723.9
Current assets			
Inventories		35.3	46.7
Trade receivables	5.6	624.5	748.8
Tax receivables		48.7	40.9
Other receivables and current assets	5.7	208.2	243.9
Current financial assets	6.9	28.1	34.1
Cash and cash equivalents	6.9	452.8	522.5
TOTAL CURRENT ASSETS		1,397.6	1,636.8
TOTAL		**5,204.9**	**5,360.7**

MFE-MEDIAFOREUROPE GROUP

Condensed Consolidated Interim Statement of Financial Position

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30/06/2023	31/12/2022
SHARE CAPITAL AND RESERVES			
Share capital		808.2	800.3
Share premium reserve		503.0	424.0
Treasury shares		(358.1)	(390.7)
Revaluation reserves	6.1	(12.5)	(248.4)
Retained earnings and other reserves	6.2	1,748.4	1,865.7
Earnings for the period		87.1	216.9
Group Shareholders' Equity		**2,776.2**	**2,667.9**
Non-controlling interest in net profit		0.7	58.1
Non-controlling interest in share capital, reserves and retained earnings		1.8	167.6
Non-controlling interests		**2.6**	**225.7**
TOTAL SHAREHOLDERS' EQUITY		**2,778.7**	**2,893.6**
NON-CURRENT LIABILITIES			
Post-employment benefit plans		48.7	50.5
Deferred tax liabilities	5.5	92.7	91.3
Payables and financial liabilities	6.3	955.1	1,095.6
Provisions (non-current portion)	6.6	40.2	39.4
TOTAL NON-CURRENT LIABILITIES		**1,136.7**	**1,276.9**
CURRENT LIABILITIES			
Due to banks	6.4	258.8	265.2
Trade and other payables	6.7	576.9	591.1
Provisions (current portion)	6.6	59.3	69.1
Current tax liabilities		12.8	11.6
Other financial liabilities	6.5	70.7	78.6
Other current liabilities	6.8	311.0	174.8
TOTAL CURRENT LIABILITIES		**1,289.4**	**1,190.3**
TOTAL LIABILITIES		**2,426.2**	**2,467.1**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**5,204.9**	**5,360.7**

MFE-MEDIAFOREUROPE GROUP

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES:	notes	1H 2023	1H 2022
Operating Result		120.9	112.0
+ Depreciation, amortisation and impairments		228.5	239.6
+ Other provisions and non-cash movements	8.1	6.1	(4.9)
+ Change in trade receivables		124.2	164.8
+ Change in trade payables		(14.0)	26.7
+ Change in other assets and liabilities	8.2	8.9	(60.8)
- Income tax paid		(7.7)	(16.2)
Net cash flow from/(used in) operating activities [A]		**466.9**	**461.2**
CASH FLOW FROM INVESTING ACTIVITIES:			
Proceeds from the sale of property, plant and equipment and intangible assets		0.1	1.6
Payments for investments in TV and movie broadcasting rights		(210.4)	(178.9)
Payments in investments in property, plant and equipment and intangible assets		(25.7)	(23.9)
Proceeds from government grants	8.3	3.8	-
Payments for equity investments in associates and joint ventures		-	(0.5)
Proceeds/(Payments) for hedging derivatives on financial assets	8.4	-	(42.8)
Proceeds/(Payments) for other financial assets	8.5	(75.4)	(33.2)
Dividends received	8.6	6.6	49.0
Business combinations net of cash and cash equivalents acquired		-	(0.1)
Net cash flow from/(used in) investing activities [B]		**(301.0)**	**(228.8)**
CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from financing		314.3	200.0
Financing repayments		(443.5)	(246.5)
Dividends paid		(1.5)	(2.1)
Changes in other financial liabilities		(14.0)	(21.5)
Interest paid		(15.0)	(5.3)
Changes in controlling interest	8.7	(75.9)	(4.0)
Net cash flow from/(used in) financing activities [C]		**(235.7)**	**(79.4)**
CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)		**(69.7)**	**153.0**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD [E]		**522.5**	**315.6**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (F=D+E)		**452.8**	**468.7**

MFE-MEDIAFOREUROPE GROUP

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity

	Share capital	Share premium reserve	Treasury shares	Revaluation reserve	Retained earnings and other reserves	Net profit for the period	Total equity attributable to equity shareholders of the parent company	Total equity attributable to non-controlling interests	TOTAL SHAREHOLDERS' EQUITY
Notes				6.1	6.2				
Carrying amount at 31/12/2021	**777.2**	**275.2**	**(374.5)**	**(33.7)**	**1,643.5**	**374.1**	**2,661.8**	**568.5**	**3,230.3**
Allocation of the parent company's 2021 net profit	-	-	-	-	374.1	(374.1)	-	-	**-**
Dividends paid	-	-	-	-	(114.1)	-	(114.1)	(0.9)	**(115.0)**
Share based payment reserve evaluation	-	-	-		0.8	-	0.8		**0.8**
Changes in controlling stake on subsidiaries	-	-	-		1.2	-	1.2	(1.9)	**(0.7)**
Other changes	-	-	-	20.4	(24.6)	-	(4.2)		**(4.2)**
Comprehensive income/(loss)		-	-	(190.9)	0.2	84.6	(106.1)	(17.8)	**(123.9)**
Balance at 30/06/2022	**777.2**	**275.2**	**(374.5)**	**(204.2)**	**1,881.1**	**84.6**	**2,439.4**	**547.9**	**2,987.3**
Balance at 31/12/2022	**800.3**	**424.0**	**(390.7)**	**(248.4)**	**1,865.7**	**216.9**	**2,667.7**	**225.7**	**2,893.4**
Allocation of the parent company's 2022 net profit	-	-	-	-	216.9	(216.9)	-	-	**-**
Capital increase due to merger	13.3	79.0	-	-	-	-	92.3	-	**92.3**
Dividends paid	-	-	-	-	(140.1)	-	(140.1)	(1.5)	**(141.6)**
Share based payment reserve evaluation	-	-	-	-	1.5	-	1.5	-	**1.5**
(Purchase)/sale of treasury shares	-	-	32.6	-	-	-	32.6	-	**32.6**
Gains/(losses) from transaction of treasury shares	(5.3)	-	-	-	(27.3)	-	(32.6)	-	**(32.6)**
Changes in controlling stake on subsidiaries	-	-	-	-	66.7	-	66.7	(230.6)	**(163.8)**
Other changes	-	-	-	230.7	(235.0)	-	(4.2)	-	**(4.2)**
Comprehensive income/(loss)	-	-	-	5.2	(0.1)	87.1	92.2	9.0	**101.2**
Balance at 30/06/2023	**808.2**	**503.0**	**(358.1)**	**(12.5)**	**1,748.4**	**87.1**	**2,776.2**	**2.6**	**2,778.7**

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2023

1. BASIS OF PREPARATION

These Condensed Consolidated Interim Financial Statements have been:

- prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) as adopted by the European Union (EU). As at the reporting date, there were no significant differences between the standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financing Reporting Interpretations Committee (IFRIC) on the one hand and those adopted by the EU on the other. Consequently, the accounting policies applied by the Company fully comply with IFRS as issued by the IASB;
- prepared by the Board of Directors of the Company and authorised for issue on 1 August 2023;
- prepared on the historical costs basis unless certain financial instruments which have been measured at fair value in accordance with IFRS 9 and IFRS 13;
- presented on a going-concern basis, having the Directors verified that there are no financial, operational or other indications pointing to any critical issues that could affect the Group's ability to meet its obligations in the foreseeable future. The main risks and uncertainties regarding the business are described in the Directors' Interim Report on Operations. The ways in which the Group manages its financial risks, including liquidity and capital risk, are described in detail in the section entitled "Disclosure on financial instruments and risk management policies" of the notes to the Consolidated Financial Statements at 31 December 2022, to which reference should be made.
- presented in Euro, which is the functional currency used for the majority of the Group's operations. The amounts shown in this note are expressed in millions of euro.

These Condensed Consolidated Interim Financial Statements, drawn up in accordance with IAS 34: International Financial Reporting, do not contain all information and disclosures required for the annual financial statements and should therefore be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2022.

The Group's consolidated financial profits are not significantly influenced by effects on its business of a seasonal or cyclical nature.

The preparation of these Condensed Consolidated Interim Financial Statements requires management to make estimates and assumptions that may affect the reported amounts of revenues, costs, assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. If these estimates and assumptions (which are based on the management's best judgment as at the date of these Condensed Consolidated Interim Financial Statements) deviate from actual circumstances in the future, the original estimates and assumptions will be adjusted accordingly in the period in which the circumstances change.

Specifically, in preparing these Condensed Consolidated Interim Financial Statements and due to the new events and circumstances which happened during the reporting period, Directors assessed that, commencing 30 June 2023, the Group exercises significant influence over its investment in ProsiebenSat1 Media SE in accordance with IAS 28 (Investments in Associates and Joint Ventures). This assessments is reported in detail in Note 3 "Key

Information relating to the Scope of Consolidation and Transactions in the First Half of the Year", which describes the most significant corporate transactions and changes in the scope of consolidation during the year.

Please refer to the "Use of estimates" section of the Consolidated Financial Statements at 31 December 2022 for a detailed description of the most significant areas of the financial statements, which explains why the estimation and measurement processes used by the Group are necessary. In addition, in accordance with IAS 34, some assessment procedures (particularly those of a more complex nature concerning possible impairment of non-current assets) are carried out in full only when drawing up the annual consolidated financial statements, when all the relevant necessary information is available, unless there are obvious indicators of impairment, in which case an immediate assessment would be necessary. Likewise, the actuarial measurement required to determine employee benefit provisions are also usually made when drawing up the annual consolidated financial statements, except in the event of significant market fluctuations, or significant plan changes, reductions or settlements.

There are no significant changes in this report, either in nature or amount, in relation to the items estimated in previous interim or annual reports.

These Condensed Consolidated Interim Financial Statements have been subject to review by the statutory auditors.

2. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS APPLICABLE FROM 1 JANUARY 2023

Since 1 January 2023, the following new accounting standards and/or amendments and interpretations of standards previously in force have become applicable.

On **18 May 2017**, the IASB published its standard **IFRS 17 Insurance Contracts**, which will replace IFRS 4 Insurance Contracts.

The new standard aims to ensure that entities provide relevant information that faithfully represents the rights and obligations deriving from the insurance contracts issued. The IASB developed the standard to eliminate inconsistencies and weaknesses in existing accounting policies by providing a single principle-based framework to account for all types of insurance contracts, including reinsurance contracts held by an insurer.

The new standard also includes presentation and disclosure requirements to improve comparability among entities in this sector.

The new standard measures insurance contracts under the general model or using a simplified version of it known as the Premium Allocation Approach ("PAA").

The PAA allows entities to measure the liability for remaining coverage of a group of insurance contracts on the condition that, at the time initially recognised, the entity expects that this liability will be a reasonable approximation of the general model. Contracts with a coverage period of one year or less are automatically eligible for the PAA. The simplifications arising from the PAA do not apply to the measurement of liability for incurred claims, which are measured under the general model. However, there is no need to discount those cash flows if the balance is expected to be paid or received in one year or less from the date the claims are incurred.

An entity must apply the new standard to: insurance contracts, including reinsurance contracts, it issues; reinsurance contracts it holds; and investment contracts with discretionary participation features (DPFs) it issues.

Furthermore, on **9 December 2021**, the IASB published an amendment entitled "**Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 Comparative Information**". The amendment introduces an alternative transition approach for comparative information about financial assets presented at the IFRS 17 initial application date. The amendment aims to avoid temporary accounting mismatches between financial assets and insurance contract liabilities so as to make the comparative information more useful to readers of the financial statements.

The adoption of this standard has had no impact on the Group's Condensed Consolidated Interim Financial Statements.

On **12 February 2021**, the IASB published two amendments entitled "**Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2**" and "**Definition of Accounting Estimates—Amendments to IAS 8**". The amendments are intended to enhance the disclosure of accounting policies so as to provide more useful information to investors and other primary users of financial statements and to help companies distinguish between changes in accounting estimates and changes in accounting policies.

On **7 May 2021**, the IASB published an amendment entitled "**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**". The amendment clarifies how deferred taxes should be recognised for particular transactions for which an entity recognises both an asset and a liability of equal amounts, such as leases and decommissioning obligations.

The adoption of these amendments has had no impact on the Group's Condensed Consolidated Interim Financial Statements.

NEW IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

The standards issued but not yet endorsed at the date of preparation of the Group's Condensed Consolidated Interim Financial Statements are listed below. The Group is still assessing the impact of these amendments on its financial position or financial results, in so far as they are applicable.

On **23 January 2020**, the IASB issued an amendment called **"Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**". The amendment aims to clarify how current and non-current payables and other liabilities are classified. The changes will enter force on 1 January 2024; however, companies may choose to adopt them early. The directors are currently evaluating the possible effects of the introducing this amendment for the Group's financial statements.

On **22 September 2022**, the IASB published an amendment entitled "**Amendments to IFRS 16 Insurance contracts: Lease Liability in a Sale and Leaseback**". The amendments require a seller-lessee to measure the lease liability arising from a sale and leaseback transaction in a way that does not result in recognition of any gain or loss that relates to the right of use it retains. The amendments will apply from 1 January 2024, but early adoption is permitted. The directors are currently evaluating the possible effects of the introducing this amendment for the Group's financial statements.

On **23 May 2023**, the IASB published an amendment entitled "**Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules**". The amendments introduce a temporary exception from the recognition and disclosure of deferred taxes arising from the Pillar Two Model Rules and introduce specific disclosure obligations for entities affected by the International Tax Reform.

The temporary exception applies immediately, whereas the disclosure obligations are required to for annual reporting periods beginning on or after 1 January 2023. Disclosure is not required in interim reports relating to periods ending on or before 31 December 2023. The directors are currently evaluating the possible effects of the introducing this amendment for the Group's consolidated financial statements.

On **25 May 2023**, the IASB issued an amendment called "**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements**". These amendments require entities to disclose information about reverse factoring arrangements that enables users of financial statements to assess who the financial arrangements with providers might influence an entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's liquidity risk exposure. The amendments will apply from 1 January 2024. The directors are currently evaluating the possible effects of the introducing this amendment for the Group's consolidated financial statements.

3. KEY INFORMATION RELATING TO THE SCOPE OF CONSOLIDATION AND TRANSACTIONS IN THE FIRST HALF OF THE YEAR

The main changes in the scope of consolidation during the period under review are summarised below.

Cross-border merger of MES into MFE

During the first six months of the year, the **common plan for the cross-border merger by incorporation of Mediaset España Comunication ("MES") (the mergee company) into MFE (the merger company) (the "Merger")** was completed after its approval by the boards of directors and shareholders' meetings of both companies held on 30 January and 15 March 2023, respectively.

On **16 March 2023**, MFE completed its **acquisition of shares representing approximately 1.53% of share capital in MES** from certain MES shareholders (including Vivenda SE and some private equity funds). These shareholders had previously informed MFE at MES's Shareholders' Meeting of 15 March that they did not oppose the Merger but intended to divest their stakes. The price of these acquisitions was EUR 3.2450 per share, with the total consideration standing at EUR 15.5 million. The acquisition price factored in a total discount of 4.04% per annum as compared to the settlement price of EUR 3.2687 per MES share. This is because the acquisitions were executed before payment was made to the MES shareholders exercising their withdrawal right on account of not approving the Merger.

On **28 April 2023**, all preconditions were met and the preliminary steps were completed for the Merger to take effect; In particular:

- MES and its wholly-owned subsidiary Grupo Audiovisual Mediaset España Comunicación, S.A. ("GA Mediaset") signed a public deed to complete the transfer all assets and liabilities of MES (with the exception of the cash amounts exceeding those necessary for the pursuit of the business forming the subject-matter of the carve-out, the 13.18% investment in ProSiebenSat.1 Media SE and the financial assets and liabilities related to this investment) in favour of GA Mediaset.
- MES paid out a total settlement of EUR 56.1 million to shareholders exercising their right of withdrawal.

The Certificate of Merger was signed on 2 May 2023 and came into force on 3 May 2023. In accordance with the common cross-border merger plan, all shares in MES were cancelled and MFE increased its own share capital on the Merger date. By operation of law, MFE allocated 220,934,896 new MFE ordinary "A" class shares, each with a par value of EUR 0.06 and carrying one voting right each, to MES shareholders (excluding MES shares held by MES itself or held by MFE immediately before the Merger came into effect) at the predetermined ratio of seven new MFE A-Class Shares per one MES share in a share exchange with former MES shareholders other than MFE and MES itself. As a consequence, the subscribed and paid-up share capital of MFE increased from EUR 800.3 million to EUR 813.6 million.

As a result of completing these corporate transactions, the Group's controlling interest in the assets held by MES prior to the Merger went from 82.92% on 31 December 2022 to 100% at the end of the six month period. These transactions are accounted as equity transactions, as a result of which a EUR 66.7 million positive difference has been recognised in the Condensed Consolidated Interim Financial Statement at 30 June 2023 (under *Other Reserves*). This represents the difference between the total consideration recognised for the transactions on the one hand (which includes the EUR 71.6 million cash components and the EUR 92.3 million fair value of the newly issued MFE A-Class Shares as at the effective date of the Merger) and the carrying amount of the non-controlling interests acquired. The results of the Group's Spanish operations attributable to MES before the merger have been consolidated on the basis of a 84.45% interest held by the Group in the first quarter and a 100% shareholding in the second quarter of the year. The consolidation of the total shareholding held by the Group starting from April instead of May (effective date of the merger) did not have significant impacts in terms of group net result and reclassification of profits pertaining to non-controlling interest to those pertaining to the Group.

On the same date, and in implementing the resolution passed at MFE's Shareholders' Meeting of 15 March 2023, all 88,707,693 MFE A-Class treasury shares owned by MFE were also cancelled, with MFE's issued share capital reduced accordingly.

Incorporation, acquisition of new companies, capital increases and sale of subsidiaries or interests in subsidiaries

In **January 2023**, the subsidiary Conecta 5 acquired 60% of the share capital in the company **Avataria Producciones S.L** . This company is consolidated on a line-by-line basis.

On **10 March 2023**, Mediaset Investment N.V. (placed in liquidation last year) was erased from the Dutch commercial register.

On **5 June 2023**, MFE-MEDIAFOREUROPE established **MFE Advertising S.p.A.**, which will coordinate the Group's advertising sales in its various business territories. This company is consolidated on a line-by-line basis.

On **19 June 2023**, the subsidiary Grupo Audiovisual Mediaset Espana SAU acquired the remaining 20% stake in the share capital of **El Demarque Portal Deportvo S.L**.

Incorporation, acquisition of new companies, capital increases and sale of associates

Equity investment in ProSiebenSat1 Media SE

On **17 February 2023**, MFE entered into a binding purchase agreement with a primary financial counterpart to acquire a 3.86% stake in the share capital (approximately 4.0% of voting rights excluding treasury shares) of ProsiebenSat1 Media SE ("PS71") MFE hedged the purchase price by entering into a reverse collar with cash settlement. The deal was subject to obtaining the authorisation of the European and Austrian antitrust authorities. On 3 March 2023, the Directorate-General for Competition of European Commission, as a consequence of the entry into the shareholding structure of PS71 of an investor who had acquired a stake of approximately 10% of the company's share capital (and voting rights) just a few weeks previously, declared to MFE that the above mentioned shares purchase agreement does not lead to the acquisition of de facto sole control of P7S1 and that there is, therefore, no obligation to notify the transaction under EU merger control rules. Subsequently, also the Austrian Federal Competition Authority, duly informed about the content of the above EU Commission statement, with letter dated March 17 2023, declared to take note of the content of the EC communication.

On **19 May 2023**, in implementing its contractual agreements, MFE acquired an additional **stake in PS71**, thus increasing its total **shareholding** (including both investment held directly and through financial instruments) **to 28.87%** of share capital (of which 26.58% held directly and 2.29% secured through securities lending instruments). Excluding the treasury shares held on 31 December 2022, this shareholding corresponds to **29.70% of current voting rights** (of which 27.34% held directly and 2.35% secured through securities lending instruments).

As regards the total position in PS71 held/secured by MFE at 30 June, a **3.33% share in PS71's share capital** (including the above mentioned 2.29% stake secured by lending instruments) was hedged through financial instruments (collar with cash or physical settlement option) to limit the risk of fluctuations in fair value within a predetermined range.

During the six months up to 30 June 2023**,** no events affected MFE's ability to participate in the PS71's decision-making in terms of the indicators mentioned in IAS 28. Specifically, as it was the case when MFE exceeded 20% of voting rights in PS71 in the first quarter of 2020, a threshold which under paragraph 5 of IAS 28 carries the presumption of significant influence over another entity, MFE ascertained that – in continuity with the assessments already carried out at 31 December 2022 – none of the following indicators set out in paragraph 6 of IAS 28 to determine the presence or absence of significant influence actually or potentially existed:

- (a) representation on the board of directors or equivalent governing body of the investee;

- (b) participation in policy-making processes, including participation in decisions about dividends or other distributions;

- (c) material transactions between the entity and the investee;

- (d) interchange of managerial personnel;

- (e) provision of essential technical information.

In particular, until 30 June 2023, MFE had no representation on either the Executive Board or the Supervisory Board of the Company, while it was as the major shareholder of PS71. Therefore, before 30 June 2023, the entire investmentg of MFE continued to be recognised and measured in accordance with **IFRS9**. This meant aligning the carrying amount of the investment with its share market value, recognising the fair value of the financial assets and liabilities related to the hedging derivatives through other comprehensive income (and in the Revaluation reserve) without recycling to profit and loss, and recognising in profit and loss only the EUR 3.1 million in dividends resolved to be paid out by the PS71 Shareholders' Meeting on 30 June 2023.

On **30 June 2023**, the Shareholders' Meeting of PS71 also resolved by majority vote to appoint four members of its Supervisory Board (of which three coming to the end of their term and one vacant), taking effect immediately. Two of the members coming to the end of their term and included in the list submitted by the Supervisory Board were nominated by MFE.

Under the PS71's dual governance structure, the Supervisory Board is the 9-member policy-making and control body, which supervises and oversees the Executive Board's management of the Company and is therefore directly involved in all major corporate decisions.

Therefore, starting from 30 June, MFE can be considered as meeting the first and most important presumptive indicators of significant influence set forth in IAS 28, paragraph 6a (representation on the board of directors or equivalent governing body of the investee).

From that date, MFE's stake of **25.54% in share capital and 26.28% of voting rights and economic interests** is therefore reclassified from *Other financial assets* to *Investments in associates and joint ventures* in MFE's Condensed Interim Statement of Financial Position. This is measured using the equity method in accordance with IAS 28. The accumulated reserves generated up to that date from changes in fair value relative to the initial investment values included in consolidated shareholders' equity without recycling through profit and loss and was reclassified from Revaluation reserves to Retained earnings and Other reserves.

At the same date, the hedged **investment** of **3.33% in share capital of PS71** (corresponding to 3.42% in the voting rights and economic interests) continues to be considered **a financial investment under IFRS 9**. Therefore, the carrying amount of this portion of the PS71 equity investment continues to be adjusted to the share market price at the reporting date through other comprehensive income without recycling to profit or loss, in line with the accounting treatment applied to the related hedging derivatives.

For further information on the accounting of the associate, please refer to Note 5.4

Incorporation, acquisition of new companies, capital increases and sale of non-controlling interests

In the **first quarter of 2023**, the investment held by Advertisement 4 Adventures, SLU in **Altania del Mar SL** increased from 6.88% to 7.29% in share capital. In the second quarter of 2023, this investment decreased from 7.29% to 6.24% in share capital.

In the **second quarter of 2023**, subsidiary RTI SpA subscribed to a capital increase in **Altania del Mar SL**, increased its investment from 3.44% to 6.24% in share capital.

In the **first quarter of 2023**, the investment held by Advertisement 4 Adventures, SLU in **Pensium, SL** increased from 6.12% to 6.28% in share capital.

In the **first quarter of 2023**, the 0.16% equity investment held by Advertisement 4 Adventures, SLU in **Peoople Unlimited SL** was sold to third parties.

In the **second quarter of 2023**, the investment held by subsidiary RTI SpA in **Springlane GmbH** decreased from 5.23% to 1.83% in share capital.

4. NOTES ON MAIN CHANGES IN INCOME AND EXPENSES

4.1 REVENUES FROM SALES OF GOODS AND SERVICES

	1H 2023	1H 2022
TV advertising revenues	1,125.2	1,149.9
Other advertising revenues	119.2	101.2
Sale of rights and television productions	54.1	54.1
Pay streaming service	17.3	18.6
Construction, rental and maintenance of TV equipment	11.0	27.1
Movie distribution revenues	9.7	4.3
Other revenues	21.0	20.7
TOTAL	**1,357.5**	**1,375.9**

TV advertising revenues, shown net of agency discounts, refer mainly to the activity of selling space (managed for Italy and Spain, respectively, by the Group's concessionaires, Publitalia '80 and Publiespana S.A.) on the free-to-air generalist and semi-generalist channels owned by Mediaset and Grupo Audiovisual Mediaset España and those (Kids channels) managed within joint ventures (Boing), as well as to the Italian advertising sales activities managed by concessionaire Digitalia '08 for the Serie A TV broadcasting rights held by Dazn under the three football season agreement commencing in 2021-2022. In the period under review, these revenues show a limited decline mainly due to the performance of advertising sales in Spain during the first two months of the year.

Other advertising revenues mainly refers to sales relating to the Group's websites and web properties (managed under a sub-concession in Italy by the joint venture Mediamond) and the Group's radio stations. This latter activity has been managed directly by the Group's concessionaire Digitalia '08.

Sale of rights and television productions revenues for the period were essentially stable across the two periods under review.

The year-on-year decrease in **Construction, rental and maintenance of television equipment** revenues can mainly be attributed to the discontinuations of transmission capacity rent agreements with third party operators that reached their end date and were still present in the first half of last year.

Movie distribution revenues increased in the period under review as a result of the post-pandemic resumption of distribution activities.

4.2 PERSONNEL EXPENSES

	1H 2023	1H 2022
Ordinary remuneration	131.0	129.4
Overtime	6.2	6.1
Special benefits	11.1	11.7
Additional salary period (13th and 14th salary period)	18.0	17.9
Accrued and unused holiday	3.7	3.8
Total wages and salary	**170.0**	**168.9**
Social security contributions	50.6	49.1
Post-employment benefit plans	0.1	0.2
MLT incentive plans	1.6	0.8
Other personnel expenses	15.7	16.1
Total personnel expenses	**238.0**	**235.1**

The following table shows the details of the **group's average workforce**, determined on a full time equivalent basis based on the business sector to which they belong attributable to the two main geographical areas, Italy and Spain in which the Group's activities are carried out. No employees work at companies with registered offices in the Netherlands, as the Group's actual and operating headquarters continue to be located in Italy and Spain.

AVERAGE WORKFORCE	IH 2023	IH 2022
Italy	3,277	3,250
Spain	1,550	1,596
Total	**4,827**	**4,846**

4.3 PURCHASES, SERVICES AND OTHER COSTS

	1H 2023	1H 2022
Purchases	**27.4**	**38.0**
Change in inventories of raw materials, semi-finished and finished products and increase in internal work	**12.0**	**10.0**
Consultants, contractors and services	113.0	106.3
Making and purchases of productions	262.5	281.0
Broadcaster fees and guaranteed minimums	48.3	44.8
Advertising space and external relations	10.7	8.9
EDP Services	6.1	7.3
Research, training and travel expenses	5.9	4.3
Other services	194.3	197.6
Services	**640.7**	**650.3**
Rentals	**74.8**	**86.1**
Accruals/(Utilizations) of provisions	**1.6**	**(10.0)**
Other operating expenses	**25.5**	**27.5**
Total purchases, services, other costs	**782.2**	**801.9**

Purchases includes expenditures for the purchase of the raw materials and consumables used in staff and production activities (such as sets, costumes, awards) as well as those relating to the acquisition of TV rights licences with a duration of less than one year (such as rights to news and events) in the amount of EUR 6.3 million (EUR 17.4 million at 30 June 2022)

With reference **to Cost for services**:

- **Consultants, contractors and services** refers to professional service and advisor, corporate bodies fees, collaborators and temporary work expenses, artistic and journalistic collaborations.
- **Making and purchases of productions** refers to direct costs related to the creation of in-house productions and for purchase of productions from third parties;
- **Broadcaster fees and guaranteed minimums** refers to the fees paid for the TV advertising sales and radio advertising managed by the Group on behalf of third parties.
- **Other services** mainly refers to EUR 45.9 million in trade association costs for the use of intellectual property rights (EUR 48.1 million at 30 June 2022), EUR 40.6 million in costs of maintaining networks, broadcasting equipment, property and IT systems (EUR 39.0 million in the first half of 2022).

Rentals includes EUR 47.6 million in costs relating to television signal transmission and the rental of tower for the two geographical areas of business (EUR 61.9 million in 1H 2022), EUR 5.4 million in royalties (EUR 5.5 million in

1H 2022) and EUR 12.4 million relating to rents mainly for television studios and equipment and office space (EUR 11.4 million in 1H 2022).

Accruals/(Utilizations) of provisions includes provision (net of the reversal of the excess funds accrued in previous years) for onerous contracts in relation to some television productions or to reflect future obligations assumed under corporate restructuring plans. There are net utilisations in the period under review, in connection with the release of funds set aside in previous years for the actual use of television productions and artistic resources and the settlement of certain legal disputes.

Other operating costs include indirect tax charges, donations and associative contributions and concession fees of which the main part relating to the contribution of 3% of the gross advertising sales of the Mediaset España Group in accordance with the industry sector law on funding public television.

4.4 AMORTISATION, DEPRECIATION AND IMPAIRMENTS

	1H 2023	1H 2022
Amortisation of TV and movie rights	187.9	199.4
Amortisation of other intangible assets	18.5	19.9
Depreciation of property, plant and equipment	22.0	19.4
Impairments/(Reversal) of receivables	0.1	0.9
Total amortisation, depreciation and impairments	**228.5**	**239.6**

For commentary on changes in depreciation and amortisation, see Notes 5.1 Property, plant and equipment and 5.2 Other Intangible assets, television and movie broadcasting rights, below.

4.5 FINANCIAL INCOME/(EXPENSES)

	1H 2023	1H 2022
Interests on financial assets	3.2	0.1
Interests on financial liabilities	(19.9)	(4.0)
Dividend income from FVTOCI investments	3.3	46.4
Other financial income/(losses)	1.5	(6.3)
Foreign exchange gains (losses)	2.1	(0.8)
Total financial income/(losses)	**(9.8)**	**35.4**

Dividends from FVTOCI investments included the dividends approved by ProSiebenSat.1 Media SE on 30 June.

4.6 RESULT FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This item includes the portion of the net result of companies account for by using the equity method, in addition to any gains/losses deriving from their sale.

	1H 2023	1H 2022
Result of equity investments accounted for using the equity method	7.2	9.2
Total	**7.2**	**9.2**

The result of **Equity investments accounted for using the equity method** mainly included expenses and income related to the pro-rata recognition of the results of equity investments in associates and joint ventures. In particular:

- income of EUR 4.9 million for the equity investment in EI Towers;
- income of EUR 1.1 million for the equity investment in Fascino PGT S.r.l.;
- income of EUR 0.8 million for the equity investment in Bulldog TV;
- income of EUR 0.5 million for the equity investment in Unicorn Content SL;
- costs of EUR 0.2 million for the equity investment in La Fábrica de la Tele;
- costs of EUR 1.2 million for the equity investment in Boing S.p.A.

4.7 TAXES FOR THE PERIOD

	1H 2023	1H 2022
Current taxes	3.7	1.1
Tax expenses (foreign companies)	11.4	17.7
Deferred tax effects	11.3	10.4
	26.4	**29.2**

At 30 June 2023, the MFE Group's deferred and current taxes for the period were calculated in accordance with the applicable tax regulations and the information currently available.

Current taxes include the IRAP tax expense for the half-year and prior year tax generated as a result of the recalculation of taxes upon submission of the income tax return with respect to the amount recognised in the financial statements for previous years.

Tax expenses (foreign companies) primarily include charges for current taxes recognised by companies of Grupo Audiovisual Mediaset España.

Deferred tax assets/liabilities mainly show the movements for the period for the allocations and/or uses generated as a result of changes in the temporary differences between the taxable base and the carrying amount of assets and liabilities. As mentioned in Note 5.5 *Deferred tax assets and liabilities*, deferred tax assets included the EUR 5.5 million utilisation following the positive taxable income generated during the period by companies scoped into the Italian tax consolidation arrangement.

4.8 EARNINGS/LOSS PER SHARE

Basic and diluted earnings per share are calculated as follows:

	1H 2023	1H 2022
Net result for the period (millions of euro) attributable to equity shareholders of the parent company	87.1	84.6
Weighted average number of ordinary shares (without treasury	2,801,111,781	2,281,657,298
Basic EPS	**0.03**	**0.04**
Weighted average number of ordinary shares for the diluted EPS computation	2,801,111,781	2,283,434,923
Diluted EPS	**0.03**	**0.04**

Earnings per share are calculated by dividing the Group net profit/loss by the weighted average of the number of outstanding shares, net of the treasury shares. The figure for diluted earnings per share is calculated using the number of shares in circulation and the potential diluting effect from the allocation of treasury shares to the beneficiaries of vested incentive plans.

Considering the 2022 comparative based by applying the same number of outstanding shares as in the financial year 2023, both basic and diluted EPS would work out at EUR 0.03 per share.

5. NOTES ON MAIN CHANGES IN ASSETS

5.1 PROPERTY, PLANT AND EQUIPMENT

	Owned property, plant and equipment	Property, plant and equipment - Right of use	TOTAL
Balance at 31/12/2022	**202.5**	**83.3**	**285.7**
Additions	17.7	5.8	**23.5**
Disposals	(0.1)	(0.2)	**(0.3)**
Depreciation and impairments	(13.6)	(8.6)	**(22.2)**
Other changes	(4.9)	(0.2)	**(5.1)**
Balance at 30/06/2023	**201.7**	**80.0**	**281.7**

The EUR 17.7 million increase in **Owned property, plant and equipment** refers to the EUR 4.8 million in investments in technical equipment, EUR 2.1 million in investments for the upgrade and outfitting of work space at the headquarters in Cologno Monzese headquarters, EUR 4.7 million for the refurbishment of the single Full HD broadcast system and EUR 1.0 million for the new production units in the Rome studios.

The changes also included the EUR 1.6 million investment to acquire a real estate property on Via Lumiere in Cologno Monzese

“Other changes” referred to the EUR 3.6 million reduction in the net value of the assets purchased as part of the frequency refarming activities to prepare for the transition of facilities to the new DVB-T2 broadcasting standard, specifically relating to the upgrades carried out after 8 February 2022 in response to the collection of the second and final tranche of the contribution covering 80% of total admissible expenses (costs and investments) to which network operators were entitled for those upgrades by order of Ministerial Decree of 21 March 2023 issued by the Ministry of Enterprise and Made in Italy, following an application filed on 23 December 2022.

Property, plant and equipment - Right of use include lease agreements recognised under IFRS 16 for leases of real estate and television studios and rentals of staff company cars. The increases relate to new contracts coming into effect during the period in question. Right-of-use depreciation rates were calculated based on the established lease terms.

5.2 OTHER INTANGIBLE ASSETS, TV AND MOVIE BROADCASTING RIGHTS

	TV and movie rights	Goodwill	Other intangible assets	TOTAL
Balance at 31/12/2022	**775.3**	**804.2**	**499.3**	**2,078.9**
Additions	215.3	0.1	24.1	**239.5**
Disposals	(2.5)		-	**(2.5)**
Amortisation and impairments	(187.9)		(18.5)	**(206.4)**
Other changes	14.1		(18.9)	**(4.8)**
Balance at 30/06/2023	**814.2**	**804.3**	**486.0**	**2,104.6**

The main changes on the figures shown in the consolidated financial statements at 31 December 2022 are summarised below:

- Increases in **Television and movie rights** of EUR 232.4 million, of which EUR 215.3 million for purchases in the period and EUR 17.1 million for capitalisation of advances paid to suppliers (recognised as Other intangible assets at 31 December 2022).
- Increases in **Other intangible assets** mainly referred to intangible assets in progress and advances, particularly advances paid to suppliers for the acquisition of broadcasting rights. As already noted for TV and movie rights, Other changes included decreases of EUR 17.2 million relating to the reclassification of the capitalisation of advances paid to suppliers.

5.3 ASSESSMENT OF RECOVERABILITY OF GOODWILL AND OTHER NON-CURRENT ASSETS (IMPAIRMENT TEST)

At 30 June 2023, the designation of the CGUs was identical to their designation at 31 December 2022 given that there no changes made to the Group structure that would require them to be reviewed. In particular, the CGUs are aligned with the operating segments set forth in IFRS 8 (Spanish segment, incorporating the activities under the responsibility of Grupo Audiovisual Mediaset España, which has received the operational assets and liabilities of the Mediaset España Group as part of the transfers preliminary to the Merger of MES into MFE, which was completed during the period) or with business lines that can be identified within the Italian segment (Free TV Italy, Pay TV and Radio sector activities, and other activities mainly pertaining to the radio advertising sales of the Group and of third parties, managed by Digitalia '08).

The following table shows the amounts and the allocation of goodwill to each CGU at 30 June 2023.

CGU	30/06/2023	31/12/2022
Grupo Audiovisual Mediaset España	657.8	657.7
Free TV Italy	145.6	145.6
Other advertising sales	1.0	1.0
Total Goodwill	**804.3**	**804.2**

At the interim reporting date, just as at 31 December 2022, the market capitalisation of MFE remained lower than the consolidated carrying amounts. In spite of this, the main external indicators and the trends in the main performance indicators for the period as compared to the budget offer no evidence to suggest that the conclusions arising from the impairment testing carried out on the Group's non current assets for the purposes of the Group's Consolidated Financial Statements for the year ended 31 December 2022 should be revised as at the date of these Condensed Consolidated Interim Financial Statements. This testing, which was carried out by applying the value in use methodology and preparing specific sensitivity analyses for the Group's main CGUs, had shown that the carrying amounts of the Mediaset España (now Grupo Audiovisual) and Free TV Italia CGUs were broadly recoverable and found that some finite-life assets of the Radio CGU were impaired. The testing had also confirmed the recoverability of the residual carrying amounts of the pay/SVoD series and movie rights, which had been partially down in previous years.

In this context, the Directors assessed the recoverability of the Group's non current assets analysing the main external and internal indicators. In particular, despite the extremely unstable and uncertain economic climate, the analysis confirmed the medium-to-long term economic and financial projections contained in the latest approved business plans, taking into account the main observable evidence in relation to the key variables on that date. More specifically, the tests carried out as at the reporting date of the Condensed Consolidated Interim Financial Statements took into account elements such as the following:

- the main variables used for the reference context were taken from the best external information available at the time, mainly relating to the expected evolution of the main macroeconomic variables (GDP, inflation, consumption and interest rated) and the trend forecast by the main specialised observers for the advertising market, which are still mainly focused on short-term revisions of the estimates forecast for the current year, which are generally more positive than the forecasts made in the forward-looking plans;

- the main internal evidence concerning the operating profit and free cash flow generation achieved by the various CGUs (which in the period under review do not show negative deviations from budget forecasts);
- the Group's access to the levers necessary to review and adapt its editorial offering, costs and investment profile where necessary, as also demonstrated against a negative macroeconomic backdrop.

Finally, by updating the discount rates represented by the weighted average cost of capital for the Group's various CGUs based on the main underlying financial parameters observed as at the reference date, it was also possible to identify (also taking into account updates to medium-term inflation forecasts in the Group's main countries of operations) small deviations from the discount rates used in the impairment process carried out at 31 December 2022, with these being even lower for the Group's main CGUs than the values identified in the sensitivity analyses conducted on the same date, at which the recoverable value was equal to their respective carrying amounts.

On this basis, even though MFE's market value were lower than their carrying amount on the reporting date, no impairment of the Group's non-current assets has been identified.

5.4 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES AND OTHER FINANCIAL ASSETS

	Investments in associates and joint ventures	Equity investments in other companies	Receivables and other financial assets	Hedging derivatives	Total equity investments and other financial assets
Balance at 31/12/2022	425.7	519.8	10.9	45.3	**1,001.6**
Additions		76.1	1.1	-	**77.2**
Disposals		-	(0.1)	-	**(0.1)**
Fair value changes		17.4	-	(19.7)	**(2.3)**
Result of equity investments accounted for using the equity method	7.2				**7.2**
Other changes	503.7	(513.8)	-	-	**(10.3)**
Balance at 30/06/2023	**936.6**	**99.6**	**11.9**	**25.6**	**1,073.6**

The additions in **Equity investments** for the period mainly referred to the acquisition of an additional 3.86% stake in Prosiebensat.1 Media SE.

Of the *Fair value changes*, EUR 19.1 million is due to the effects of the fair value measurement, included in the item Revaluation reserve for the equity investment held in Prosiebensat.1 Media SE. As a result of these adjustments, the fair value of the 28.87% investment held by the Group in ProsiebenSat1 Media SE at 30 June 2023 amounts to EUR 580.0 million of which EUR 513,8 million accounted in the item *Investments in associates and joint ventures* and EUR 66.2 million accounted in the item *Other financial assets*.

As reported in Note 3 regarding MFE's stake in Prosieben Sat 1, the accounting treatment provided for in IFRS continued to be applied (just as in previous periods) up to 30 June 2023. Since that date – in view of the specific new facts and circumstances which arose following the appointment of two members nominated by MFE to the

Supervisory Board of PS71 – MFE's stake in the PS71, corresponding to 25.54% of share capital and 26.28% of voting rights and economic interests, have been reclassified as an **investment in associates** and since 30 June 2023 measured using the equity method in accordance with IAS 28. This reclassification is shown in the item *Other changes* in the table above.

When the carrying amount of the investment in the associate was initially recognised, the recoverability of this amount (equal to the stock market price of PS71 at 30 June, adjusted for the cumulated fair value changes at the time of *cash settlement* of the reverse collar hedging the last tranche acquired in May 2023) was tested based on the most recent available external evidence as regards the consensus stock valuation.

Relative to the corresponding portion of the Group shareholders' equity of PS71 resulting from the latest publicly available consolidated statements of the investee on 31 March 2023, this carrying amount would include a notional goodwill of EUR 147 million.

In application of IAS 28, once the data will be available, MFE will be able to conduct specific analyses (at first on a provisional basis and then on a definitive basis within the subsequent 12-month period beginning 30 June 2023) using the purchase price allocation process provided for in IFRS 3 to retroactively determine the pro-rata fair value of the assets and liabilities acquired as compared to the investee carrying amounts at the same date.

To this end, it particularly bears noting that upon the approval and publication of PS71's 2022 Consolidated Financial Statements on 28 April, the Company reported and disclosed that it was exposed to contingent liabilities – in relation to the ongoing proceedings regarding two subsidiaries operating in the field of experiential voucher sales – that could not be estimated on the approval date of the 2022 Financial Statements but which could be significant.

As at the approval date of these Condensed Consolidated Interim Financial Statements, MFE did not yet have information on the development of these proceedings or the estimation of related liabilities.

With regard to **Equity investments in associates and joint ventures**, the item *Other changes* comprises dividends distributed by associates and joint ventures in addition to the reclassification of the investment in Prosieben. The item *Result of equity investments accounted for using the equity method* refers to the pro-rata share of the profits of associates and joint ventures.

The changes in **Hedging derivatives** relate to the change in the fair value of the put option hedging changes in the value of the equity investment held in Prosiebensat.1 Media.

5.5 DEFERRED TAX ASSETS AND LIABILITIES

	30/06/2023	31/12/2022
Deferred tax assets	347.5	357.6
Deferred tax liabilities	(92.7)	(91.3)
Net position	**254.7**	**266.3**

The EUR 11.9 million reduction in *Deferred tax assets* relates both to the utilisation of deferred tax assets recognised for prior-year tax losses and to the net utilisation generated by the temporary differencies between taxable and carrying amounts of assets and liabilities.

At 30 June 2023, MFE Group's deferred and current taxes for the period were measured in accordance with the applicable tax regulations and the information currently available. As a result of this calculation, the value of deferred tax assets on IRES tax losses that may be carried forward without any time limit and which were generated within the Italian tax consolidation scheme (EUR 192.8 million at 31 December 2022) decreased in line with the assessment formulated as part of the recoverability testing carried out at the end of last year (EUR 183.7 million at 30 June 2023). Therefore, there were no events or indicators during the period that would change the medium/long-term recovery forecasts made when preparing the consolidated financial statements at 31 December 2022, which in turn were based on the estimated future taxable income of the companies included in the domestic tax consolidation scheme as derived from the most recent business plans; the recovery period was estimated in nearly a decade.

5.6 TRADE RECEIVABLES

	30/06/2023	31/12/2022
Receivables from customers	599.2	697.6
Receivables from related parties	25.3	51.1
Total	**624.5**	**748.8**

The change in Trade receivables reflects the different volumes of advertising revenues due to the different seasonality of this revenue stream throughout the year.

The breakdown of receivables from related parties is reported in Note 11 (*Related-Party Transactions*).

5.7 OTHER RECEIVABLES AND CURRENT ASSETS

	30/06/2023	31/12/2022
Other receivables	170.7	189.7
Prepayments and accrued income	37.5	54.2
Total	**208.2**	**243.9**

Other receivables mainly include:

- advances totalling EUR 11.5 million to suppliers, contractors and agents, and to suppliers, artists and professionals involved in television productions (EUR 13.1 million at 31 December 2022).
- EUR 34.5 million in amounts receivable from tax authorities (EUR 30.9 million at 31 December 2022):
- EUR 114.4 million in amounts receivable from factoring companies (EUR 138.8 million at 31 December 2022):

Prepayments and accrued income mainly refers to EUR 9.0 million to some matches of the **2023/24 UEFA Champions League** are not attributable to the period.

6. NOTES ON MAIN CHANGES TO SHAREHOLDERS' EQUITY AND LIABILITIES

6.1 REVALUATION RESERVES

	30/06/2023	31/12/2022
Revaluation reserve for cash flow hedges	29.0	(230.1)
Revaluation reserve for investments measured at FVTOCI	(31.1)	36.3
Options intrinsic value reserve	4.6	5.1
Options time value reserve	(14.9)	(59.6)
Total	**(12.5)**	**(248.4)**

The table below shows the changes over the six-month period.

	Revaluation reserve for cash flow hedges	Revaluation reserve for investments measured at FVTOCI	Options time value reserve	Options intrinsic value reserve	Total Valuation reserve
Balance at 31/12/2022	**36.3**	**(230.1)**	**(59.7)**	**5.1**	**(248.4)**
Increase/(decrease)	(0.6)	-	-		**(0.6)**
Reclassification to profit or loss	0.7	-	-	-	**0.7**
Basis Adjustment	(4.3)	-	3.4	2.1	**1.2**
Fair value changes	(5.6)	12.6	(2.9)	(2.6)	**1.5**
Deferred tax effects	2.3	-	-	-	**2.3**
Other changes	-	186.5	44.3	-	**230.7**
Balance at 30/06/2023	**29.0**	**(31.1)**	**(14.9)**	**4.6**	**(12.5)**

Other changes relating to the item Revaluation reserve for investments measured at FVTOCI and Options time value reserve and the Options intrinsic value reserve refers to the reclassification under Retained Earnings of the cumulative fair value changes on the Prosieben investment upon reclassification to *Investments in associates and joint ventures*.

Basis Adjustment refers to the reclassification and integration of the purchase price for ProsiebenSat1 shares during the period following the settlement of the derivate financial instruments hedging the financial investment.

The changes in the reserves described above are reported in the Statement of Comprehensive Income gross of tax effects

6.2 RETAINED EARNINGS AND OTHER RESERVES

	30/06/2023	31/12/2022
Reserve from equity investments accounted for using the equity method	(6.3)	(6.3)
Consolidation reserve	(79.0)	(79.0)
Reserves for transaction with non-controlling interest	249.9	183.2
Stock option and incentive plans reserve	6.6	4.6
Reserve from actuarial gains/(losses)	(28.6)	(28.6)
Retained earnings	1,605.9	1,791.9
Total	**1,748.4**	**1,865.7**

The period-on-period change in the item *Reserve from equity investments accounted for using the equity method* refers to the pro-quota parts of the components directly recognised in equity by investees.

The EUR 66.7 million change in the item *Reserves for transactions with non controlling interests* refers to the effects of purchasing the residual non-controlling interest in Mediaset España as part of the Transactions related to the completion of the merger by incorporation of the company into MFE.

At 30 June 2023, the Stock option and incentive plans reserve consisted of the contra-entries for costs accrued, measured in accordance with IFRS 2, relating to medium-long term incentive plans adopted by MFE-MEDIAFOREUROPE N.V. The EUR 1.5 million change for the period relates to increases in the costs accruing under incentive plans issued by the Group in the 2021 and 2022 financial years.

The change in *Retained earnings* is primarily due to the recognition of the 2022 profit and the distribution of EUR 140.1 million in dividends, which were paid out on 26 July in accordance with the Shareholders' Meeting resolution of 7 June 2023.

6.3 FINANCIAL LIABILITIES AND PAYABLES

	30/06/2023	31/12/2022
Due to banks	877.4	998.0
Payables to other lenders	0.1	0.1
IFRS 16 lease financial liabilities (non current portion)	70.0	72.4
Financial liabilities for hedging derivatives on equity instruments	0.3	19.7
Other financial liabilities	7.3	5.4
Total	**955.1**	**1,095.6**

Due to banks (non current portion) refers to the portion of committed credit facilities maturing beyond 12 months and attributable to MFE-MEDIAFOREUROPE N.V. These payables are recognised in the financial statements using the amortised cost method.

A breakdown of the reduction of EUR 110.6 million for the period is provided below:

- reclassification, under Due to banks, of a EUR 100 million nominal credit facility maturing within the next 12 months;
- early repayment of four loans totalling EUR 175 million nominal;
- reclassification, under Due to banks, of the EUR 12.5 million current portion of a loan;
- reclassification, under Due to banks, of the EUR 24.4 million current portion of the loan taken out by MFE-MEDIAFOREUROPE N.V. with Credit Suisse.
- opening of a new EUR 100 million nominal credit facility with BPER Banca S.p.A. (maturing in May 2028);
- opening of a new EUR 50 million nominal credit facility with BPER Banca S.p.A. (maturing in November 2024);
- opening of a new EUR 50 million nominal credit facility with BNL (maturing in October 2024);

Existing loans and credit facilities are subject to financial covenants which are assessed every six months on a consolidated basis. If any financial covenants are breached, both for the loans and credit facilities, MFE-MEDIAFOREUROPE N.V. could be called upon to repay all amounts drawn. At 30 June 2023, these financial parameters were satisfied in full. Based on current evidence, and despite the high levels of economic uncertainty, it is reasonable to expect that these parameters will also be satisfied during the next 12 months.

Payables to other financial lenders refers to loans received for movie development, distribution and production activities.

IFRS 16 leases liabilities refers to the non-current portion of payables for leasing recognised in accordance with IFRS 16.

Financial liabilities for hedging derivatives on equity instruments relates to the call option granted to the financial counterparty as part of the collar contract hedging the fair value changes in the equity investment held in Prosiebensat.1 Media SE.

Other financial liabilities refers to the non-current portion of payables relating to the options to purchase non-controlling interests in subsidiaries.

6.4 DUE TO BANKS

	30/06/2023	31/12/2022
Current portion of non current debt	193.8	259.2
Credit facilities	65.0	6.0
Total	**258.8**	**265.2**

Current portion of non current debt refers to the current portion of committed credit facilities. The change on the previous year was due to the reclassification of a total of EUR 112.5 million nominal in credit facilities falling due within 12 months and the repayment of credit facilities.

All **Credit lines** are subject to floating interest rates and refer to short-term loans with a due date set formally at one year and are renewable. The fair value of credit lines is in line with their carrying amount. The change compared to 31 December 2022 is due to the higher use of this type of financing.

6.5 OTHER FINANCIAL LIABILITIES

	30/06/2023	31/12/2022
Payables to other lenders	43.9	56.0
IFRS 16 financial payables	16.0	16.4
Financial liabilities for other hedging derivatives	0.5	3.6
Financial liabilities for hedging derivatives on equity instruments	10.3	2.6
Total	**70.7**	**78.6**

Payables to other financial lenders mainly consists of cash pooling with associates and joint ventures totalling EUR 40.0 million (EUR 47.3 million at 31 December 2022); loans totalling EUR 0.3 million (EUR 0.4 million at 31 December 2022) received to finance movie development, distribution and production operations; and the current portion of payables relating to purchase options over residual interests in the share capital of subsidiaries.

Financial liabilities for other hedging derivatives refers to the EUR 0.5 million current portion of the fair value of foreign exchange derivatives both for the hedging of future commitments to purchase broadcasting rights and for items recognised in the financial statements, in particular receivables and payables denominated in foreign currencies.

Financial liabilities for hedging derivatives on equity instruments at 30 June 2023 relate to the call option granted to the financial counterparty as part of the collar agreement hedging the fair value changes in the equity investment held in Prosiebensat.1 Media SE.

6.6 PROVISIONS AND CONTINGENT LIABILITIES

	30/06/2023	31/12/2022
Balance at 1/1	**108.5**	**119.0**
Accruals	20.3	51.4
Utilization	(29.5)	(62.3)
Financial charges	0.1	0.1
Change in the consolidation area	-	0.3
Balance at the end of period	**99.4**	**108.5**
Of which:		
Within 12 months	59.3	69.1
After 12 months	40.2	39.4
Total	**99.4**	**108.5**

Provisions at 30 June 2023 mainly refer to legal proceedings totalling EUR 28.3 million (EUR 28.2 million at 31 December 2022), staff disputes and business restructuring plans totalling EUR 22.0 million (EUR 22.6 million at 31 December 2022) and contractual risks totalling EUR 40.6 million (EUR 50.0 million at 31 December 2022), of which risks relative to the under-utilisation of artistic resources compared to contractual agreements totalling EUR 9.8 million (EUR 10.2 million at 31 December 2022). The breakdown of Provision by maturity reflects the foreseeable expected duration of the related proceedings

As regards ongoing proceedings and the related contingent liabilities incumbent on Mediaset España before its Merger with MFE and later incumbent on **Grupo Audiovisual Mediaset España Comunicación**, **S.A**. ("GA Mediaset"), a wholly owned subsidiary of MFE, on 30 June 2023 following the closing of the Merger and the preliminary transfer described above, no significant facts existed at the reporting date of these Condensed Consolidated Interim Financial Statements relate which were not previously reported in the Consolidated Financial Statements for the year ended 31 December 2022, which are nevertheless briefly summarised below.

On 21 February 2018, Mediaset España S.A. was notified by the "Comisión Nacional de los Mercados y la Competencia" (CNMC) of an alleged breach of Section 1 of the Spanish Competition Act and Article 101 of the Treaty on the Functioning of the European Union (TFEU). The allegation related to certain conditions for contracting and selling television advertising which had the potential to restrict the operation of the market. On 12 November 2019, the CNMC sanctioned Atresmedia and Mediaset by ordering a termination of contract. On 13 January 2020, Mediaset España filed an administrative appeal calling for the effects of the order to be immediately suspended as an interim measure, both in terms of the request to desist from the alleged unlawful conduct and in relation to the imposed fine of EUR 39 million. By ordinance of 4 September 2020, the Spanish National Court (Audiencia Nacional) upheld the application, ordering the provisional suspension of payment of the EUR 39 million fine, but did not suspend the order to desist from the conduct sanctioned. As a result, Mediaset España filed an action for annulment against the ordinance, which was subsequently rejected by ordinance of 17 November 2020, which was subsequently challenged by Mediaset España in the Spanish Court of Cassation. This was then challenged in the Court of Cassation. On 19 May 2021, the Supreme Court dismissed the appeal. The administrative dispute has continued to be processed and is pending a final resolution. The serious defects of the Decision, together with the sound factual, legal and economic arguments expounded (as also supported by the reports of independent experts), should lead the requested interim measures to be granted. In any case, they allow us to trust that the decision appealed will be annulled in the courts. As a consequence, these Condensed Consolidated Interim Financial Statements do not include any provision for this contingency, as the Directors (supported also on the opinion of the subsidiary's advisers) consider it improbable that this liability could materialise.

As regards **ordinary proceedings No. 1181/10** before the first instance court of Madrid, Mediaset España filed, in a document dated 19 November 2010, an application for ordinary judgment against ITV, in which it applied to declare null and void the contract licensing the use of the format of television program Pasapalabra as well as two other related contracts: one for providing library programmes and another for developing television formats. ITV rejected this claim by formulating a counterclaim and demanding that Mediaset España be ordered to pay the consideration payable to it under the three contracts mentioned above, as well as compensation for damage suffered.

On 3 February 2014, the Court issued its judgment dismissing the appeal and partially upholding the counterclaim, and ordered Mediaset España to pay the sums claimed in the counterclaim for having breached the three agreements signed with ITV. These sums were then paid in the amount of approximately EUR 15 million.

Subsequently, the Provincial Court of Madrid, in a ruling dated 20 September 2016, partially upheld the appeal filed by Mediaset España, which reduced by about half the amount of the fine defined in the first instance.

This ruling was appealed by both parties in the Supreme Court, which admitted the appeal filed by Mediaset España and rejected the appeal filed by ITV. In its judgment dated 30 September 2019, the Supreme Court then dismissed the appeal filed by Mediaset España and upheld the judgment issued by the Madrid Provincial Court on 20 September 2016. The Supreme Court believes the criterion to be followed in determining the consideration owed by Mediaset España to ITV for the post-contractual use of the Pasapalabra format should correspond to the profit obtained by Mediaset España from using that format rather than some hypothetical royalty accruable to ITV in return for it being granted a licence. This compensation is to be determined during the enforcement of the judgment, by means of a specific procedure.

On 3 March 2022, two and a half years after the judgment was issued, Mediaset España was served a "Request for Enforcement" of the first instance court's judgment of 3 February 2014, which ordered Mediaset España to compensate ITV for the profits obtained in connection with the use of the format and title of the Pasapalabra program.

Mediaset España objected to this request for enforcement in a letter of 13 May 2022, in which it disagreed with the methods used by ITV to calculate this compensation, which do not in any way reflect how the television advertising market in Spain actually functions and which contain conceptual and approach errors on several counts, starting from the consideration that advertising revenues were calculated based on theoretical rates, that the advertising revenues generated in the time slot in which the Pasapalabra programme was broadcast should be attributed exclusively to that program and, finally, by considering the format and the programme to be equivalent.

Based on these considerations and on the well-established position taken by the Company in these proceedings, the directors, supported by the subsidiary's internal quantification analyses reviewed by independent third-party experts in the field, believe that the compensation that will be definitively determined by the competent court will be in line with the amounts already accrued in previous years and confirmed in the Condensed Consolidated Statement of Financial Position at 30 June 2023.

In reference to **proceedings number 000401/2014-CR on the use by Mediaset España of the Pasapalabra format**, in a judgment of 4 March 2019 (the "Judgment") the Spanish Court of EU Trade Marks No 1 materially admitted the cumulative claims alleged by ITV Global Entertainment Limited ("ITV") against Mediaset España

Comunicación, S.A. ("MES") in 2014 and 2016 and threw out the counterclaim filed by Mediaset against ITV regarding the last of the claims.

In its claims, ITV applied to be recognised as the owner of the European Union Trade Mark ("EUTM") "Pasapalabra", for MES to stop using the trade mark and for compensation to be paid for its alleged undue use.

Mediaset España, on the other hand, applied for the claims of ITV to be thrown out and for its counterclaim to be admitted, with the aim of cancelling ITV's registration of the EUTM, and applied for MES to be recognised as the owner of the EUTM given its contribution in getting the trade mark known throughout the past 14 years.

The Court found that ITV was the owner of the EUTM, despite acknowledging in its Judgment that the trade mark derived directly from the previous "Passaparola" trade mark, which was created by R.T.I. (Mediaset Italia)/Einstein Multimedia without any role played by ITV, with this circumstance alone suggesting that the registration of the EUTM by ITV was conducted in bad faith.

By acknowledging ITV as the owner of the EUTM, the judgment sentenced Mediaset España to pay compensation of EUR 8.7 million for its supposed misuse of the EUTM since 2009. On 16 January 2020, the Provincial Court of Alicante issued its ruling on the judgment being appealed by Mediaset España. In this appeals ruling, although Mediaset España's claim to the ownership of the "Pasapalabra" trade mark was thrown out, the court considered that, as the format's title and trade mark had the same name (Pasapalabra), ITV could not have its compensation doubled by adding together the compensation resulting from the above-mentioned proceedings 1181/2010 brought before the Court of Madrid with the proceedings brought before the Alicante Court of Trade Marks. Therefore, two key components of the judgment appealed were overturned:

- The sentence ordering payment of compensation for the entire period between 3 August 2009 (when ITV applied to register the trade mark) and 1 February 2016 (when the application to register the trade mark was granted) was overturned, as the "reasonable compensation" to which ITV had been entitled was considered as though it had already been paid by the compensation ordered for the same period in the proceedings brought with the Court of Madrid.
- As for the compensation for the period between 2 February 2016 and the end of the Pasapalabra programming, the judgment determined that this amount should be deducted from the amount payable as compensation for the use of the format during the same period according to the enforcement proceedings brought before the Court of Madrid.

MES has brought an extraordinary appeal in the Supreme Court against the decision, which is currently being evaluated. MES believes that compensation should only be paid where damage has been caused, which is not the case here as, even if any damage did exist, it would have been remedied by the compensation ordered in the above-mentioned proceedings 1181/10 brought before the first-instance court of Madrid. Furthermore, if we look at the licencing policy applied by ITV, we see that it charges a single amount for the format, title and trade mark, and therefore the payment for the trade mark has therefore already been included in the compensation described above.

For these reasons, these Condensed Interim Consolidated Financial Statements do not include any provision in relation to this contingency, as the Directors, also supported by the opinion of the subsidiary's consultants, estimate that the risk that this liability could definitively materialize is not probable.

6.7 TRADE AND OTHER PAYABLES

	30/06/2023	31/12/2022
Trade and other payables	509.3	515.1
Due to related parties	67.6	76.0
Total	**576.9**	**591.1**

The change in *Trade and other payables* mainly refers to payables to TV rights suppliers.

Amounts due to related parties include payables to associates, affiliates and the parent company. Details of these payables are provided in Note 11 (Related-Party Transactions) below.

6.8 OTHER CURRENT LIABILITIES

	30/06/2023	31/12/2022
Due to social security institutions	18.5	18.9
Withholding tax on employees' wages and salaries	10.2	12.5
VAT payables	34.1	12.6
Other tax payables	12.2	12.8
Advances	6.7	8.6
Other payables	212.0	90.4
Deferred income and accrued expenses	17.5	19.0
Total	**311.0**	**174.8**

The change in *Other payables* refers almost exclusively to the EUR 140.1 million in dividends approved by the Shareholders' Meeting of MFE-MEDIAFOREUROPE N.V. of 7 June 2023, which were yet to be paid at the reporting date of these Condensed Consolidated Interim Financial Statements and were subsequently paid on 26 July 2023.

Deferred income and accrued expenses includes EUR 1.9 million in deferred income for the rights of utilization of TV rights.

6.9 NET FINANCIAL POSITION

Below is a breakdown of the **Consolidated net financial position** in accordance with ESMA's "Guidelines on disclosure requirements under the Prospectus Regulation" of 4 March 2021, showing the net current and non-current financial debt of the Group. For a breakdown of changes in the net financial position over the period, see the section on the Consolidated Cash Flow Statement in the Directors' Interim Report on Operations As previously stated in the financial statements for previous years, the **adjusted** *Net Financial Position* used in some indices is also reported, based on the covenants set forth in the main financing agreements. The adjustments refer to the current and non-current portions of the financial liabilities recognised pursuant to IFRS 16 (lease) and payables relating to the loans contracted by MFE with Credit Suisse for the acquisition of the equity interest in ProsiebenSat1.

	30/06/2023	31/12/2022
Cash in hand	0.1	0.1
Current accounts and demand deposits	452.8	522.4
Liquidity	**452.8**	**522.5**
Current financial assets and receivables	**5.4**	**6.9**
Credit facilities	(65.0)	(6.0)
Current portion of non-current debt	(193.8)	(259.2)
Other current payables and financial liabilities	(59.4)	(66.9)
Current financial debt	**(318.2)**	**(332.0)**
Current Net Financial Position	**140.0**	**197.3**
Non-current due to banks	(877.4)	(998.0)
Non-current financial payables and liabilities	(70.2)	(72.6)
Non current financial debt	**(947.6)**	**(1,070.6)**
Net financial position	**(807.6)**	**(873.3)**
IFRS 16 lease financial liabilities (current portion)	16.0	16.4
Due to banks (non-current)	52.5	52.4
Non-current financial payables and liabilities (IFRS 16 liabilities)	70.0	72.4
Adjusted net financial position (excluding IFRS 16 liabilities and ProSieben acquisition debt)	**(669.1)**	**(732.1)**

Below is a breakdown of certain Net Financial Position items, reported in accordance with the above-mentioned ESMA Guidelines, with comment where necessary on the main changes in the individual figures.

Current financial assets and receivables mainly comprises EUR 4.1 million in receivables from associate companies.

The **Current portion of non current debt** comprises EUR 193.4 million as the current portion of medium-long term credit facilities (EUR 259.2 million at 31 December 2022). The change compared to 31 December 2022 mainly refers to the repayment of short-term debt.

The Group recognised trade payables due in more than 12 months for the acquisition of TV and movie rights for a total of EUR 14.9 million and non-current payables for options on non-controlling interests acquisitions for a total of EUR 7.7 million. However, these have not been included in the Net Financial Position as the Directors believe that they do not have a significant implicit or explicit financing component in accordance with the "Guidance on Disclosure Requirements under the Prospectus Regulation" published by ESMA on 3 March 2021. Payables relating to the dividends resolved by the Shareholders' Meeting on 7 June 2023 and paid out after the end of the period are recorded for a total of EUR 140.1 million under *Other current liabilities*, and therefore are not included in the Net Financial Position.

7. GUARANTEES AND COMMITMENTS

The overall amount of **guarantees received**, mainly bank guarantees, for receivables from third parties totalled EUR 5.2 million (EUR 9.7 million at 31 December 2022).

In addition, **bank guarantees** in favour of third-party companies were issued for a total amount of EUR 90.0 Million (EUR 103.7 million at 31 December 2022).

The main **commitments** of the MFE Group companies at 30 June 2023 can be summarised as follows:

- commitments for the acquisition of television and movie broadcasting rights (free), totalling EUR 497.6 million (EUR 599.3 million at 31 December 2022). These future commitments relate mainly to volume deal contracts of the MFE Group with some of the leading American TV producers.
- EUR 13.8 million to associates for the acquisition of content, sport events and rental contracts (EUR 16.5 million at 31 December 2022).
- commitments for artistic projects, television productions and press agency contracts of approximately EUR 271.3 million (EUR 367.9 million at 31 December 2022), of which EUR 177.3 million due to Related Parties;
- commitments for digital broadcasting capacity services of EUR 3.0 million (EUR 0.8 million at 31 December 2022);
- EUR 2.0 million in contractual commitments for satellite capacity use (EUR 4.0 million at 31 December 2022).
- commitments to the EI Towers Group of approximately EUR 308.4 million (EUR 386.2 million at 31 December 2022) relating to the long-term contract for hospitality, support and maintenance services (full service), expiring on 30 June 2025.
- commitments for the purchase of new equipment, multi-year rentals, rental of high-frequency towers, the supply of EDP services and commitments to trade associations for the use of intellectual property rights totalling EUR 162.6 million (EUR 187,5 million at 31 December 2022);

8. STATEMENT OF CASH FLOWS

8.1 OTHER PROVISIONS AND NON-CASH MOVEMENTS

This item refers primarily to provisions (net of utilisations) for risks, employee leaving entitlements and incentive plan costs, and to gains/losses on the disposal of property, plant and equipment, intangible assets and television and film broadcasting rights.

8.2 CHANGE IN OTHER ASSETS AND LIABILITIES

This item includes changes in *Other receivables and current assets*, *Post-employment benefit plans* and *Other current liabilities*, as well as EUR 3.7 million as the exchange difference arising from the cash settlement of exchange rate hedges for the ineffective portion of the hedge.

8.3 PROCEEDS FROM GOVERNMENT GRANTS

This item refers to the grants received under the Ministry of Economic Development (MISE) – now the Ministry of Enterprise and Made in Italy (MIMIT) – Interministerial Decree of 17 November 2021 setting out compensatory measures for transmission facilities upgrade costs incurred by network operators nationwide as a consequence of the refarming of frequencies for the digital terrestrial television service.

8.4 PROCEEDS/(PAYMENTS) FOR HEDGING DERIVATIVES ON FINANCIAL ASSETS

In the first half of 2022, this item includes the cash out associated with the early closing of collar contracts entered into to hedge the equity investment in ProSiebenSat.1 Media SE.

8.5 PROCEEDS/(PAYMENTS) FOR OTHER FINANCIAL ASSETS

In the first half of 2023, this item mainly referred to the acquisition of a further 3.86% stake in the share capital of MFE and to the acquisition of equity interests as part of the “AD4ventures” business.

In the first half of 2022, this item mainly referred to the acquisition of 1.11% stake by MFE in Prosiebensat.1 Media SE.

8.6 DIVIDENDS RECEIVED

In the first half of 2023, this item referred to the EUR 4.0 million in dividends received from EITowers S.p,A., with the remainder referring to the dividends received from associates and joint ventures.

In the same period of last year, the item referred to the EUR 34.5 million in dividends received from Prosiebensat.1 Media SE and the EUR 6.0 million in dividends received from EITowers S.p,A., with the remainder referring to the dividends received from associates and joint ventures.

8.7 CHANGES IN CONTROLLING INTEREST

This item refers to the disbursements made by the Group for the purchase of the residual shares of Mediaset España and the related transaction costs.

9. SEGMENT REPORTING

As required by IFRS 8, the following information relates to the operating segments identified on the basis of the Group's present organisational structure and internal reporting system.

The Group's main operating segments, already included in the analysis of results contained in this Interim Report on Operations, are the same as the geographical areas (Italy and Spain) identified according to the location of operations.

The following paragraphs contain the information and reconciliations required under IFRS 8 in relation to profits, losses, assets and liabilities, based on this segmentation process. The information can be extrapolated from the two sub-consolidated financial statements prepared at that level.

GEOGRAPHICAL SECTORS

The following tables report key financial information for the two geographical operational areas of Italy and Spain, as at 30 June 2023 and 2022 respectively.

The financial results for the first half of 2023 in the two geographic areas reflect the new corporate structure that was defined during the period following the completion of the Merger of Mediaset Espana into MFE and the transactions preliminary to it, which are described above. In particular, Spanish activities reflect the consolidated results of the companies under **Grupo Audiovisual Mediaset Espana**, a wholly owned subsidiary of MFE which, following these transactions, manages all core activities of the MFE group in Spain. On the other hand, the assets and liabilities held by MES following the transfer, consisting of liquidity, investment in ProSiebenSat.1 Media SE and the financial assets and liabilities related to this investment, were merged into the activities in the Italian geographic segment through a Spanish branch of MFE.

The tables have been prepared on the basis of specific sub-consolidated financial statements in which the carrying amounts of the equity investments held by companies belonging to a segment in companies belonging to another segment have been kept at their respective purchase cost and eliminated upon consolidation.

In particular, the inter-segment assets figures relate to the elimination of the equity investment recognised under the assets of the Italy geographic sector in Grupo Audiovisual Mediaset España.

Non-monetary expenses relate to the provisions for risks and charges and the costs of medium/long-term incentive plans.

1H 2023	ITALY	SPAIN	Eliminations/ Adjustments	MFE GROUP
MAIN INCOME STATEMENT FIGURES				
Revenues from external customers	972.6	397.0		1,369.6
Inter-segment revenues	0.2	-	(0.2)	-
Consolidated net revenues	**972.8**	**397.0**	**(0.2)**	**1,369.6**
%	71%	29%		100%
OPERATING RESULT	**39.0**	**81.7**	**0.2**	**120.9**
Financial income/(expense)				(9.8)
Result from investments accounted for using the equity method				7.2
PROFIT BEFORE TAX				**118.3**
Income taxes				(26.4)
NET PROFIT FOR THE PERIOD				**91.9**
Attributable to:				
- Equity shareholders of the parent company				87.1
- Non-controlling Interests				4.8
OTHER INFORMATION				
Property, plant and equipment	244.5	37.2		281.7
TV and movie rights	686.1	129.0	(0.9)	814.2
Goodwill	146.6	294.6	363.2	804.3
Other intangible assets	320.5	165.5	(0.0)	486.0
Investments in associates and joint venture	925.9	11.1	(0.4)	936.6
Non-current assets [1]	**2,323.6**	**637.3**	**361.9**	**3,322.8**
Assets	4,554.5	1,117.9	(467.6)	5,204.9
Liabilities	2,113.8	314.2	(1.9)	2,426.1
Investments in tangible and intangible non current assets [2]	181.6	81.5	(0.2)	262.9
Amortisation and depreciation	169.2	59.6	(0.3)	228.5
Other non monetary expenses	3.1	0.1	-	3.2

1. excludes other non current financial assets and deferred taxes
2. includes the change in "Advances for television rights acquisitions"

1H 2022	ITALY	SPAIN	Eliminations/ Adjustments	MFE GROUP
MAIN INCOME STATEMENT FIGURES				
Revenues from external customers	973.5	415.0	-	1,388.5
Inter-segment revenues	1.1	0.2	(1.3)	-
Consolidated net revenues	**974.6**	**415.2**	**(1.3)**	**1,388.5**
%	70%	30%		100%
OPERATING RESULT	**17.1**	**95.8**	**(0.9)**	**112.0**
Financial income/(expenses)				35.4
Result from investments accounted for using the equity method				9.2
PROFIT BEFORE TAX				**156.6**
Income taxes				(29.2)
NET PROFIT FOR THE PERIOD				**127.4**
Attributable to:				
- Equity shareholders of the parent company				84.6
- Non-controlling Interests				42.9
OTHER INFORMATION				
Property, plant and equipment	247.7	40.6		288.3
TV and movie rights	729.1	118.7	(1.2)	846.6
Goodwill	146.6	294.5	363.2	804.2
Other intangible assets	374.5	183.0	(0.0)	557.4
Investments in associates and joint venture	418.8	8.4	(0.1)	427.0
Non-current assets [1 2]	**1,916.7**	**645.1**	**361.8**	**2,923.6**
Assets [2]	4,273.3	1,607.8	(518.6)	5,362.4
Liabilities [3]	2,003.6	374.2	(2.7)	2,375.1
Investments in tangible and intangible non current assets [4]	170.8	58.0	-	228.8
Amortisation and depreciation	171.3	68.6	(0.3)	239.6
Other non monetary expenses	(8.9)	(0.3)	-	(9.2)

1. excludes other non current financial assets and deferred taxes

2. the geographical sector Spain included the 13.18% stake of ProsiebenSat1 Media S.E. for a value of 270.6 million Euros and non-current financial assets for hedging derivatives of this stake amounting to 3.0 million Euros. These assets were transferred to the Italy sector during the first half of 2023 as part of the merger by incorporation of Mediaset España into MFE-MEDIAFOREUOPE N.V.

3. The Spain geographical sector included liabilities for derivatives hedging the investment in ProsiebenSat1 Media S.E. financial liabilities equal to 24.1 million euros relating to the residual amount of the loan related to the purchase of this investment. These liabilities were transferred to the Italian sector during the first half of 2023 as part of the merger by incorporation of Mediaset España into MFE-MEDIAFOREUOPE N.V.

4. includes the change in “Advances for television rights acquisitions”

10. DISCLOSURES ON FINANCIAL INSTRUMENTS

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES, CALCULATION MODELS AND INPUT DATA USED

Below is an analysis of the amounts corresponding to the fair value of assets and liabilities broken down based on the methodologies and the calculation models used to calculate them.

Note that the tables do not show those financial assets and liabilities whose book value is very close to the fair value and that the fair value of derivatives represents the net position between assets and liabilities amounts.

The input data used to measure fair value at the reporting date, obtained from Bloomberg provider, were as follows:

- Euro curves for the estimation of forward rates and discount factors;
- Spot exchange rates of the ECB;
- Forward exchange rates calculated by Bloomberg;
- The fixing of the Euribor rate;
- The "mid" credit default swap (CDS) spread listed by various counterparties (if available);
- Credit spread of MFE-MEDIAFOREUROPE N.V.

BALANCE SHEET ITEM at 30 JUNE 2023	BOOK VALUE	Mark to Market	Mark to Model			TOTAL FAIR VALUE
			Black&Scholes	Binomial model	DCF Model	
Equity investments	99.6	99.6			-	99.6
Trade receivables	3.7				3.6	3.6
Payables to: banks	(1,136.6)				(1,143.4)	(1,143.4)
M/L trade and other payables	(60.3)				(58.2)	(58.2)
Hedging derivatives on equity instruments						
- Put	7.0		7.0			7.0
- Call	(10.6)		(10.6)			(10.6)
Cash flow hedging derivatives:						
-Forward	8.9				8.9	8.9
- IRS contracts	30.2				30.2	30.2

The fair value of securities listed on an active market is based on market prices at the reporting date. The fair value of securities not listed in an active market and trading derivatives is determined by using the most commonly used valuation models and techniques on the market or using the price provided by several independent counterparties, with reference to comparable listed securities prices.

The fair value of non-current financial payables has been calculated considering the credit spread of MFE-MEDIAFOREUROPE N.V. and also including the short-term component of the medium/long term loans.

For the trade receivables and payables expiring within 12 months, the fair value was not calculated since is very close to their carrying amount. As a result, the carrying amount stated for the receivables and payables for which the fair value was calculated also includes the portion due within 12 months of the reporting date. The calculation of the fair value of trade receivables only takes into account the creditworthiness of the counterparty when there is market information that can be used to determine it. For trade payables, fair value has been adjusted by taking into account the creditworthiness of MFE-MEDIAFOREUROPE N.V.

The financial assets and liabilities measured at fair value are classified in the following table, based on the nature of financial parameters used in determining the fair value, on the basis of the fair value hierarchy envisaged by the standard:

- Level I: listed prices on active markets for identical instruments;
- Level II: variables other than listed prices in active markets that may be observed either directly (as in the case of prices) or indirectly (derived from the prices);
- Level III: variables that are not based on observable market values.

BALANCE SHEET ITEM at 30 JUNE 2023	BOOK VALUE	level I	level II	Level III	TOTAL FAIR VALUE
Equity investments	99.6	66.2	33.4		99.6
Hedging derivatives on equity instruments					
- Put	7.0		7.0		7.0
- Call	(10.6)		(10.6)		(10.6)
Cash flow hedging derivatives:					
-Forward	8.9		8.9		8.9
- IRS contracts	30.2		30.2		30.2

11. RELATED-PARTY TRANSACTIONS

The following summary table shows, for the main income statement and balance sheet items at 30 June 2023, the details of the companies that are the counterparts of these transactions (identified in accordance with IAS 24 and grouped by main relationship type):

	Revenues	Costs	Financial income / (expense)	Trade receivables	Trade payables	Other receivables/ (payables)
CONTROLLING ENTITY						
Fininvest S.p.A.	**0.0**	**2.5**	**-**	**0.0**	**0.1**	**(58.1)**
AFFILIATED ENTITIES						
Società Sportiva Monza 1912 S.p.A.	-	6.0	-	-	3.2	-
Arnoldo Mondadori Editore S.p.A.*	2.0	0.7	-	1.5	0.6	(0.1)
Fininvest Gestione Servizi S.p.A.	0.0	0.0	-	0.0	0.0	0.0
Mediolanum S.p.A.*	3.0	-	-	1.6	-	-
Other affiliated entities	-	0.2	-	0.0	0.0	-
Total Affiliated Entities	**5.0**	**7.0**	**-**	**3.1**	**3.8**	**(0.1)**
ASSOCIATES AND JOINT VENTURES						
Boing SpA	4.2	9.4	(0.0)	2.9	6.5	(3.0)
EI Towers Group **	0.8	81.2	-	0.3	1.3	0.0
Fascino Produzione Gestione Teatro S.r.l.	-	36.4	(0.4)	0.4	17.9	(32.0)
Mediamond SpA	17.7	0.9	(0.1)	17.2	1.0	(1.0)
Other joint ventures and associates	2.0	65.2	3.4	1.3	37.0	8.5
Total Joint ventures and associates	**24.7**	**193.1**	**2.9**	**22.2**	**63.6**	**(27.4)**
KEY MANAGEMENT PERSONNEL* **	**-**	**7.4**	**-**	**-**	**-**	**(8.9)**
SUPPLEMENTARY PENSION SCHEME (Mediafond)	**0.0**	**(0.0)**	**-**	**0.0**	**-**	**(0.8)**
OTHER RELATED PARTIES******	**-**	**(0.0)**	**-**	**0.0**	**-**	**-**
TOTAL RELATED PARTIES	**29.8**	**202.9**	**2.9**	**25.3**	**67.5**	**(95.2)**

* The figure includes the company and its subsidiaries, associates or jointly controlled companies

** The figure includes the company and its subsidiaries.

*** The figure include the directors of MFE_MEDIAFOREUROPE N.V. and Fininvest S.p.A., their close family members and companies in which these persons exercise control, joint control or significant influence or in which they hold, either directly or indirectly, a significant stake of no less than 20%, of the voting rights.

**** The figure includes the relations with consortiums principally engaged in the management of television signal transmission.

Revenues and *trade receivables* due from *associated* entities mainly relate to the sales of television and online advertising space. the *costs* and the related *trade payables* mainly refer to purchases of television productions and broadcasting rights and to the fees paid to associates for the sale of advertising space managed through exclusive concessions by Group companies, as well as the costs incurred against associate companies for hospitality, support and maintenance services (full service).

The item *other receivables/(payables)* mainly refers to cash pooling and loans to associates. This item also includes the EUR 58.2 million in dividends to parent company Fininvest S.p.A. paid out on 26 July 2023 in accordance with the resolution passed at the MFE Shareholders' Meeting of 7 June 2023.

During the first six months, dividends were also collected from affiliates and jointly controlled entities, for a total of EUR 6.6 million.

12. SUBSEQUENT EVENTS AFTER 30 JUNE 2023

There are no reports of Subsequent Events after 30 June 2023.

LIST OF EQUITY INVESTMENTS INCLUDED IN THE GROUP'S CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2023

Companies consolidated on a line-by-line basis	Registered Office	Currency	Share capital	% held by the Group (*)
MFE-MEDIAFOREUROPE N.V.				
MFE Advertising S.p.A.	Milan	EUR	0.1	100.00%
Mediaset S.p.A.	Milan	EUR	600.0	100.00%
Publitalia '80 S.p.A.	Milan	EUR	52.0	100.00%
Adtech Ventures S.p.A.	Milan	EUR	0.1	100.00%
Beintoo S.p.A.	Milan	EUR	0.1	80.00%
Digitalia '08 S.r.l.	Milan	EUR	10.3	100.00%
Publieurope Ltd.	London	GBP	5.0	100.00%
RTI S.p.A.	Rome	EUR	500.0	100.00%
Elettronica Industriale S.p.A.	Lissone (MB)	EUR	363.2	100.00%
Medusa Film S.p.A.	Rome	EUR	120.0	100.00%
Monradio S.r.l.	Milan	EUR	3.0	100.00%
Taodue S.r.l.	Rome	EUR	0.1	100.00%
Medset Film S.a.s.	Parigi	EUR	0.5	100.00%
Radio Mediaset S.p.A.	Milan	EUR	7.4	100.00%
Radio Aut S.r.l.	Loc.Colle Bensi PG)	EUR	0.0	100.00%
Radio Studio 105 S.p.A.	Milan	EUR	0.8	100.00%
Radio Subasio S.r.l.	Assisi (PG)	EUR	0.3	100.00%
RMC Italia S.p.A.	Milan	EUR	1.1	100.00%
Virgin Radio Italy S.p.A.	Milan	EUR	10.1	99.99%
Grupo Audiovisual Mediaset España Comunicaciòn SAU	Madrid	EUR	0.6	100.00%
Advertisement 4 Adventure, SLU	Madrid	EUR	0.0	100.00%
Conecta 5 Telecinco S.A.U.	Madrid	EUR	0.1	100.00%
Avataria Producciones SL	Madrid	EUR	0.0	60.00%
Grupo Editorial Tele 5 S.A.U.	Madrid	EUR	0.1	100.00%
Mediacinco Cartera S.L.	Madrid	EUR	0.1	100.00%
Produccion y Distribucio de Contenidos Audiovisuales Mediterraneo SLU	Madrid	EUR	0.3	100.00%
El Demarque Portal Deportvo SL	Sevilla	EUR	0.0	100.00%
Megamedia Television S.L.	Madrid	EUR	0.1	100.00%
Supersport Television S.L.	Madrid	EUR	0.1	62.50%
Telecinco Cinema S.A.U.	Madrid	EUR	0.2	100.00%
Publiespaña S.A.U	Madrid	EUR	0.6	100.00%
Publimedia Gestion S.A.U.	Madrid	EUR	0.6	100.00%
Netsonic S.L	Barcelona	EUR	0.0	100.00%
Aninpro Creative SL	Madrid	EUR	0.0	51.00%
Be a Iguana S.L.U.	Madrid	EUR	0.0	51.00%
Be a Tiger S.L.U	Madrid	EUR	0.0	51.00%
Engage 2021 SLU	Madrid	EUR	0.0	51.00%
Social 15D 2021 SLU	Madrid	EUR	0.0	51.00%
Social Halo 2021 SLU	Madrid	EUR	0.0	51.00%

Associates and joint ventures

	Registered Office	Currency	Share capital	% held by the Group (*)
21CO Società a Responsabilità Limitata	Rome	EUR	0.0	20.00%
Agrupación de Interés Económico Furia de Titanes II A.I.E.	Santa Cruz de Tenerife	EUR	0.0	34.00%
Alea Media SA	Madrid	EUR	0.1	40.00%
Alea Yo Adicto S.L.	Madrid	EUR	0.0	40.00%
Alea Silencio SLU	Madrid	EUR	0.0	40.00%
Alma Productora Audiovisual S.L.	Madrid	EUR	0.0	30.00%
Auditel S.r.l.	Milan	EUR	0.3	26.67%
Boing SpA	Milan	EUR	10.0	51.00%
Bulldog TV Spain SL	Madrid	EUR	0.0	30.00%
Campanilla Film SL	Madrid	EUR	0.0	30.00%
Dr Podcast Audio Factory Limited	London	GBP	0.0	30.00%
EI Towers S.p.A.	Lissone (MB)	EUR	2.8	40.00%
EIT Radio S.r.l.	Lissone (MB)	EUR	0.0	40.00%
EIT Smart S.r.l	Lissone (MB)	EUR	0.0	40.00%
EIT Sport S.r.l	Lissone (MB)	EUR	0.0	34.00%
European Broadcaster Exchange (EBX) Limited	London	GBP	1.5	25.00%
Fascino Produzione Gestione Teatro S.r.l.	Rome	EUR	0.0	50.00%
Fenix Media Audiovisual SL	Madrid	EUR	0.0	40.00%
Hightel One S.r.l.	Rome	EUR	0.1	40.00%
Horizon Media International Sarl	Luxembourg	EUR	0.0	34.12%
La Fabrica De La Tele S.L.	Madrid	EUR	0.0	30.00%
Mediamond SpA	Milan	EUR	2.4	50.00%
Nessma S.A.	Luxembourg	EUR	14.2	34.10%
Nessma Broadcast S.A.	Tunis	DINARO	1.0	32.27%
Producciones Mandarina S.L.	Madrid	EUR	0.0	30.00%
ProSiebenSat.1 MEDIA SE (**)	Unterföhring (Germany)	EUR	233.0	25.54%
Studio Woow S.r.l.	Cologno Monzese (MI)	EUR	0.1	49.00%
Superguidatv S.r.l.	Napoli	EUR	1.6	49.00%
Titanus Elios S.p.A.	Rome	EUR	5.0	30.00%
Tivù S.r.l.	Rome	EUR	1.0	48.16%
Unicorn Content SL	Madrid	EUR	0.0	30.00%
Videowall S.r.l.	Milan	EUR	0.0	27.50%

Other equity investments	Registered Office	Currency	Share capital	% held by the Group (*)
Altania del Mar SL	Madrid	EUR	0.0	12.48%
Aranova Freedom S.C.aR.L	Bologna	EUR	0.0	23.32%
Ares Film S.r.l.	Rome	EUR	0.1	5.00%
Audiradio S.r.l. (in liquidation)	Milan	EUR	0.0	10.00%
Blooming Experience SL	Valencia	EUR	0.0	5.67%
ByHours Travel S.L.	Madrid	EUR	0.0	7.58%
Club Dab Italia Società Consortile per Azioni	Milan	EUR	0.2	12.50%
Genetiko Comunication S.p.A.	Coversano (Bari)	EUR	0.0	15.00%
Gilda S.r.l.	Milan	EUR	0.0	10.31%
Grover Group Gmbh	Berlin (Germany)	EUR	0.0	0.32%
Innovación y desarrollo de Nuevos Canales Comerciales, SL	Madrid	EUR	0.0	7.36%
Itravel Group SA	Luxembourg	EUR	0.0	2.00%
Kirch Media GmbH & Co. Kommanditgesellschaft auf Aktien	Unterföhring (Germany)	EUR	55.3	2.28%
Letisan S.r.l.	Milan	EUR	0.0	8.30%
Pascol S.r.l.	Albosaggia (Sondrio)	EUR	0.0	5.50%
Pensium SL	Barcelona	EUR	0.0	6.12%
Peoople Unlimited, SL	Madrid	EUR	0.0	0.01%
Player Editori Radio S.r.l.	Milan	EUR	0.0	15.40%
Radio Digitale S.r.l.	Bergamo	EUR	0.0	5.00%
Romaintv S.p.A. (in liquidation)	Rome	EUR	0.8	13.64%
Satispay S.p.A.	Milan	EUR	0.6	0.31%
Società Funivie Maddalena SpA	Brescia	EUR	0.1	12.40%
Spotted GmbH	Mannheim (Germany)	EUR	0.1	4.62%
Springlane Gmbh	Dusseldorf	EUR	0.1	1.83%
Tavolo Editori Radio S.r.l.	Milan	EUR	0.0	15.20%
Telesia S.p.A.	Rome	EUR	1.8	3.86%
Termo S.p.A.	Milan	EUR	0.3	9.28%
Westwing Group Gmbh	Munich	EUR	0.1	0.39%
Zanvidio Ltd	Limassol (Cyprus)	EUR	0.0	0.96%

(*) The Group's shareholding is calculated by taking into account the stake directly and indirectly held by the Parent Company at 30 June 2023, without taking into account the treasury shares of subsidiaries and investees

(**) The total shareholding is 28.87%.

STATEMENT OF COMPLIANCE BY THE BOARD OF DIRECTORS

The Board of Directors is responsible for preparing the half-yearly financial report, including the condensed interim consolidated financial statements and the Directors' report, pursuant to Dutch Financial Supervision Act and in accordance with the applicable International Financial Reporting Standards (IFRS) for IAS34-Interim Financial Statements. Pursuant to Section 5:25d, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors declares that, to the best of its knowledge, the condensed interim consolidated financial statements prepared in accordance with the accounting standards applied, give a true and fair view of the assets, liabilities, financial position and profit and loss account for the period of MFE-MEDIAFOREUROPE N.V. and its subsidiaries, and of the companies included in the consolidation as a whole, and that the Directors' Interim Report on Operations gives a true and fair view of the information required under Section 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act.

August 1st, 2023

BOARD OF DIRECTORS

Fedele Confalonieri
Chairman

Pier Silvio Berlusconi
Chief Executive Officer

Marco Giordani
Executive Director and Chief Financial Officer

Stefania Bariatti
Non-Executive Director

Marina Berlusconi
Non-Executive Director

Marina Brogi
Non-Executive Director

Raffaele Cappiello
Non-Executive Director

Costanza Esclapon de Villeneuve
Non-Executive Director

Giulio Gallazzi
Non-Executive Director

Gina Nieri
Executive Director

Danilo Pellegrino
Non-Executive Director

Alessandra Piccinino
Non-Executive Director

Niccolo' Querci
Executive Director

Stefano Sala
Executive Director

Carlo Secchi
Non-Executive Director

AUDITORS' LIMITED REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REVIEW REPORT

To: the shareholders of MFE-MediaForEurope N.V.

Our conclusion

We have reviewed the accompanying condensed interim financial statements for the period from 1 January 2023 to 30 June 2023 of MFE-MediaForEurope N.V.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements for the period from 1 January 2023 to 30 June 2023 of MFE-MediaForEurope N.V. is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

The interim financial statements comprises:

- The condensed consolidated interim statement of financial position as at 30 June 2023;
- The condensed consolidated interim income statement for the period from 1 January 2023 to 30 June 2023;
- The condensed consolidated interim statement of comprehensive income from 1 January 2023 to 30 June 2023;
- The condensed consolidated interim statement of cash flows 1 January 2023 to 30 June 2023;
- The condensed consolidated interim statement of changes in Shareholder's Equity as at 30 June 2023;
- The explanatory notes to the condensed consolidated interim financial statements at 30 June 2023.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, 'Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit' (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial statements in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the interim financial statements section of our report.

We are independent of MFE-MediaForEurope N.V in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Board of Directors for the interim financial statements

The Board of Directors is responsible for the preparation and presentation of the interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibilities for the review of the interim financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a limited assurance engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- Updating our understanding of the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion.

- Obtaining an understanding of internal control, as it relates to the preparation of the interim financial statements.

- Making inquiries of management and others within the entity.

- Applying analytical procedures with respect to information included in the interim financial statements.

- Obtaining assurance evidence that the interim financial statements agrees with or reconciles to the entity's underlying accounting records.

- Evaluating the assurance evidence obtained.

- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle.

- Considering whether management has identified all events that may require adjustment to or disclosure in the interim financial statements.

- Considering whether the interim financial statements has been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Deloitte.

Amsterdam, August 1, 2023

Deloitte Accountants B.V.

Signed on the original: E. Scheffer