ANNUAL REPORT
2023

MFE-MEDIAFOREUROPE N.V.

Registered Office: Amsterdam, Netherlands
Headquarters and Tax Residence: Viale Europa 46, 20093 Cologno Monzese, Milan, Italy
Share Capital: EUR 161,649,463.14
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Website: https://www.mfemediaforeurope.com/

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CORPORATE BOARDS

Board of Directors	**Chairman** Fedele Confalonieri **Chief Executive Officer** Pier Silvio Berlusconi **Directors** Marina Berlusconi Stefania Bariatti Marina Brogi Raffaele Cappiello Costanza Esclapon de Villeneuve Giulio Gallazzi Marco Giordani Gina Nieri Danilo Pellegrino Alessandra Piccinino Niccolò Querci Stefano Sala Carlo Secchi
Executive Committee	Pier Silvio Berlusconi Marco Giordani Gina Nieri Niccolò Querci Stefano Sala
Audit Committee	**Alessandra Piccinino (Chair)** Raffaele Cappiello Carlo Secchi
Nomination and Remuneration Committee	**Stefania Bariatti (Chair)** Marina Brogi Carlo Secchi
Environmental Social and Governance Committee	**Marina Brogi (Chair)** Stefania Bariatti Giulio Gallazzi
Related Parties Transactions Committee	**Costanza Esclapon de Villeneuve (Chair)** Marina Brogi Alessandra Piccinino
Independent Auditors	**Deloitte Accountants B.V.**

FINANCIAL HIGHLIGHTS

Main income statement data (EUR M)	2019	2020	2021	2022	2023
Consolidated Net Revenues	2,925.7	2,636.8	2,914.3	2,801.2	**2,810.4**
Italy	1,982.1	1,800.5	2,038.4	1,937.7	1,978.3
Spain	946.2	836.6	876.3	865.3	833.0
Operating Result (EBIT) (1)	354.6	269.7	418.0	280.1	**302.3**
Italy	91.3	38.5	192.1	88.5	147.2
Spain	264.9	230.5	225.3	192.4	154.8
Profit Before Tax (EBT)	381.7	285.9	555.4	337.2	**279.7**
Group Net Result (2)	190.3	139.3	374.1	216.9	**209.2**

Main balance sheet and financial data (EUR M)	2019	2020	2021	2022	2023
Net Invested Capital	4,238.7	4,230.1	4,099.5	3,766.8	**3,776.8**
Total Net Shareholders' Equity	2,890.4	3,165.6	3,230.3	2,893.6	**2,874.0**
Group Shareholders' Equity	2,477.9	2,668.3	2,661.8	2,667.9	2,869.1
Minority interests	412.5	497.3	568.5	225.7	4.9
Net Financial Position Debt/(Liquidity)	-1,348.3	-1,064.4	-869.2	-873.3	**-902.8**
Free Cash Flow	265.9	311.8	507.3	366.2	**279.6**
Investments	600.1	450.9	396.0	389.0	**466.4**
Dividends paid by the Parent Company	-	-	340.6	133.0	**140.1**
Dividends paid by Subsidiaries	46.6	-	-	0.9	**2.0**

Personnel (3)	2019	2020	2021	2022	2023
Workforce (headcount)	4,984	4,906	4,889	4,858	**4,971**
Workforce (average)	5,114	4,898	4,865	4,837	**4,856**

Main indicators	2019	2020	2021	2022	2023
Operating Result (EBIT)/Net Revenues	12.1%	10.2%	14.3%	10.0%	**10.8%**
Italy	4.6%	2.1%	9.4%	4.6%	7.4%
Spain	28.0%	27.6%	25.7%	22.2%	18.6%
EBT/Net Revenues	13.0%	10.8%	19.1%	12.0%	**10.0%**
Net Result / Net Revenues	6.5%	5.3%	12.8%	7.7%	**7.4%**
ROI (4)	9.1%	6.4%	10.0%	14.9%	8.0%
ROE (5)	7.7%	5.2%	14.1%	8.1%	7.3%
Number of Shares (6)	1,137,944,400	1,139,192,789	2,281,657,298	2,580,171,593	**560,224,002**
Consolidated Net Profit per Share (EUR)	0.17	0.12	0.16	0.10	0.37
Dividend per Share (EUR) (7)	-	-	0.05	0.05	0.25

(1) Alternative performance indicators (non-GAAP measures): figures refer to average economic results as well as balance sheet and financial data, for which the recognition criteria are described in the Directors' Report on Operations
(2) Net profit/(loss) from continuing and discontinued operations
(3) Include temporary and permanent workforce
(4) Group Operating Result (EBIT) / Average Net Capital Invested
(5) Group Net Profit/(Loss) / Net Group Shareholders' Equity
(6) Spot date at 31/12 net of treasury shares; on 13 December 2021, a second class of ordinary shares (MFE A) was issued and freely allocated in a ratio of 1:1 with – and carrying the same equity rights as - the existing shares (MFE B); starting from 23 October 2023, the MFE A and MFEB shares were split in a ratio of 1 new share for every 5 previously in circulation
(7) Dividend per share 2023: Board of Directors proposal to the General Meeting

INTRODUCTION

Reporting Note

The Consolidated and Company only Financial Statements as at 31 December 2023 have been prepared in accordance with the IAS/IFRS (International Accounting Standards/International Financial Reporting Standards) and related interpretations issued by the SIC/IFRIC (Standards Interpretation Committee/International Financial Reporting Interpretation Committee) endorsed by the European Commission and adopted by the European Union as in force at the reporting date and in accordance with the Dutch Civil Code (Part 9 of Book 2).

Adjustment Plan pursuant to Articles 15 and 18 of the Market Regulations

Pursuant to Articles 15 and 18 of Consob Regulation No. 20249 of 28 December 2017, as amended, setting forth the "conditions for listing shares of companies that control companies incorporated and governed by the laws of non-EU countries", the Parent Company MFE-MEDIAFOREUROPE NV (the "Company" or the "Parent Company" or "MFE" and together with its subsidiaries the "MFE Group" or the "Group") has identified its significant subsidiaries as defined in Article 15(2) of the aforementioned Regulation, and verified that the conditions set forth in paragraphs b) and c) of Article 15 are met.

Forward-looking statements

The Directors' Report on Operations of the MFE-MEDIAFOREUROPE Group contains forward-looking statements that reflect the management's current view 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 that MFE Group has made based on all available information at the time of completing this annual 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 Main Risks and Uncertainties" section of these Consolidated Financial Statements. These factors may not be exhaustive and should be read in conjunction with the other precautionary statements included in this annual report. The MFE Group assumes no obligation or liability in connection with any inaccuracies in the forward-looking statements made in this annual 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 annual report beyond its statutory disclosure requirements.

Information on the data presented

All references in the Annual Report to "euro", "EUR" and "€" refer to the currency introduced at the start of the third phase of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union. For ease of reading, all figures in this Annual Report are expressed in millions of euro to one decimal place. The original figures were recorded and consolidated by the Group in thousands of euro. Similarly, all percentages relating to changes between two periods or percentages of net revenue or other indicators are always calculated using the original data in thousands of euro. The use of figures expressed in millions of euro may therefore lead to apparent discrepancies both in the absolute values and in the percentage figures.

The Directors' Report contains a number of Alternative Performance Measures (APMs) not envisaged by IFRS (non-GAAP measures). These measures, which are described in the paragraph of the Report entitled "*Definition and Reconciliation of Alternative Performance Measures*", are used to analyse the Group's economic and financial performance and, where applicable, abide by the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority ("ESMA") in its Disclosure ESMA/2015/1415.

The language of these Annual Report is English. Certain references to legislation and technical terms have been quoted in their original language so that they may be given their correct technical meaning under applicable law. The Italian-language version is a translation of the original English language version and is provided as a courtesy.

European Single Electronic Format (ESEF) Requirements

The Group has applied the requirements set forth in Article 4 of the Transparency Directive on preparing the annual financial reports of companies listed on European stock exchanges in the European Single Electronic Format (ESEF) in xHTML format. In addition, issuers that prepare IFRS consolidated financial statements must label those that use Inline XBRL. In compliance with applicable regulations, the main consolidated financial statements and explanatory notes in this Annual Report must meet ESEF requirements. To comply with the regulations, MFE has implemented dedicated software manage information in ESEF format.

DIRECTORS' REPORT ON OPERATIONS

Dear Shareholders,

Throughout 2023, the international geo-political situation remained extremely unstable due to the ongoing conflict in Ukraine and the crisis in the Middle East stemming from the terrorist attacks perpetrated in Israeli territory by Hamas on 7 October. Although energy prices slowly trended back towards normal, core inflation rates remained high and central banks showed a continued propensity for further rate hikes during the year, causing demand to remain weak.

In both of the Group's geographic areas, the trend in gross domestic product has nevertheless been progressively positive, performing better than originally forecast and going against the trend in other EU countries. In Spain in particular, GDP figures substantially recovered to pre-pandemic levels, albeit they still lag behind the EU average. Despite this ongoing challenging environment, the MFE Group actually grew its gross advertising revenues by +0.9% year on year, driven by a significant fourth-quarter acceleration in Italian advertising sales to around 8% higher than the same period in 2022 – the fastest growth we have seen in the last seven years. The Group-wide advertising growth has also been enabled by the relative stability of Spanish advertising revenues, despite the uncertain environment in the country ever since the July elections and the new national government taking office in November.

The positive trend in advertising revenues, amid operating costs which were lower than in 2022 and which in Italy in particular remained below the pre-pandemic levels, allowed the Group to achieve an even better operating profit (EBIT) than in 2022.

Thanks to the positive trend in operating activities – and despite the presence of higher financial expenses, significantly reduced financial income in relation to dividends from ProsiebenSat1 Media SE ("P7S1") and a pro-rata loss recognised in this investment during the second half of 2023 (when the investment began to be accounted for using the equity method) – the Group was able to make a Consolidated Net Profit that was substantially in line with that of the previous year and, indeed, was significantly higher than forecast at the beginning of the year. Stripping out the contribution of the P7S1 investment in these two years, it can be seen that Consolidated Net Profit was actually higher than in the previous year. Key factors for this growth included the completion of the merger by incorporation of Mediaset España Comunicación S.A ("MES") into MFE and the consolidation, from the second quarter of 2023 onwards, of all financial results generated by the Group's Spanish business, which are now under the auspices of Grupo Audiovisual Mediaset España Comunicación S.A.U. ("GAM")

Consolidated free cash flow also remained decidedly positive, offsetting the cashflows used to complete the acquisition of Mediaset España's non-controlling shares, for the rounding of the stake in P7S1 and for the payout of MFE dividends that enabled consolidated net financial debt to remain substantially unchanged as compared to 31 December 2022.

The main consolidated financial results for the year are summarised below:

Consolidated net revenues totaled **EUR 2,810.4 million**, an increase (+0.3%) on the previous year's figure of EUR 2,801.2 million. This result mainly reflects a growth in advertising revenues (+0.9% on a consolidated basis) and a decline in Other revenues (-3% solely due to lower revenues from film distribution activities in Spain, which the previous year had recorded significant income as a result of major box office hits in the early autumn, and which is nevertheless partially offset by the growth in revenue from advertising sales agreements entered into with third-party media).

In **Italy**, **gross advertising revenues** from Group-managed media (revenues from free-to-air TV channels and Group-owned radio stations and revenue shares from websites managed under concession by Mediamond) stood at **EUR 1,986.1 million** in 2023 (+2.1% compared to the previous year). Based on Nielsen data, the overall conventional advertising market in 2023 (including all advertising channels, and excluding estimates for OTT, search, social media and direct mail investments) increased by 1.9% compared to 2022. Mediaset, therefore, further strengthened its market share.

In **Spain**, **gross advertising revenues** amounted to **EUR 781.5 million**, a change of -2.2% compared to 2022. GAM maintained its leadership in its television market with a share of 41%, thus consolidating its position of leadership built up over the past few years, by diversifying and launching innovative publications and advertising products. Based on Infoadex data, the TV advertising market increased by 0.3% in 2023, while the TV and digital media advertising market increased by 5.5%.

Advertising revenues were underpinned by excellent **viewership figures throughout the year**.

In Italy, Mediaset channels maintained their leadership with the 15-64 commercial target audience in 2023, with a 40.7% share over the 24-hour period, a 41.0% share of the early evening share and a 40.8% share of the daytime slot. Canale 5 was the most watched Italian channel among the commercial target audience across all time slots.

In Spain, the total free-to-air television offer of GAM , including not only the general-interest channels Telecinco and Cuatro but also the special-interest channels Factoria De Ficcion, Boing, Divinity, Energy and Be Mad (HD channel), obtained an average share of total viewers, over the 24-hour period, of 25.6% and 28.1% among the commercial target audience.

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 2,508.1 million**, down -0.5% on the EUR 2,521.1 million recorded in the same period of the previous year. This decrease in operating costs was positively impacted by better-than-expected energy costs and by the actions rolled out to structurally enhance the efficiency and continuous optimisation of the Group's production processes. On the overall trend of costs which in 2022 also included write-downs of assets with a finite useful life of EUR 21.5 million, the only increase was affected by the costs related to the performance of advertising sales collected by the Group in Italy on third-party publisher media, also related to a greater number of events managed compared to the previous year. On a homogeneous basis, excluding these items, lay off and restructuring expenses, total consolidated operating costs in 2023 amount to EUR 2,465.3 million.

Operating Result (EBIT) was **EUR 302.3 million**, compared to the EUR 280.1 million profit recorded the previous year. Consolidated operating profitability was 10.8%, compared to 10% in 2022.

Beyond operating profit, there was a significant year-on-year increase in **financial expenses** due to the trend in market rates, as average consolidated net financial debt was substantially unchanged and as **financial income** declined considerably (EUR -39.2 million) due to the lower dividends decided by investee P7S1 at the end of the first six months. Moreover, in the previous year, proceeds of EUR 5.1 million had been received as the accrued price adjustment following the sale of shares in financial investments as part of the *Media for Equity* scheme. Furthermore, and as indicated above, commencing 30 June 2023, MFE's shareholding (26.3% of economic rights) in P7S1 is being consolidated using the equity method in accordance with IAS 28; in this respect, the Group's share of the investee's consolidated loss for the period of EUR -11.3 million has been recognised in the **Result from investments**. This result was significantly affected by the net charge for impairment and provisions attributable to the Group of approximately EUR 61 million recognised in the Consolidated Financial Statements of P7S1 during end-of-year impairment testing.

Group net result was in profit at **EUR 209.2 million**, compared to the EUR 216.9 million profit recorded in 2022.

Excluding from the net income in these two years **the economic contribution generated by the P7S1 shareholdinhg** (dividends received and pro-rata investment loss in the second half of 2023), **the Group net profit in 2023 becomes 217.5 million euros**, which is up on the net profit of 184.7 million euros in 2022. This result was boosted to the tune of EUR 38.8 million by the increased holding in Spanish activities (from 55.69% in the first half of 2022, to 82.92% in the second half of 2022, to 84.45% in the first quarter of 2023, to 100% in the second quarter of 2023).

Net financial debt stood at **EUR 902.8 million**, compared to the EUR 873.3 million recorded at 31 December 2022. If we exclude the liabilities recognised under IFRS 16 from 2019 onwards and the residual financial payable for the equity investment in ProsiebenSat.1 Media SE, **consolidated net financial debt** stood at **EUR 738.2 million**, which is substantially unchanged on the EUR 732.1 million recorded at 31 December 2022. **Free cash flow** was **EUR 279.6 million**. During the period under review, MFE paid a total of EUR 145.9 million as the cash component of the deal to acquire additional non-controlling shares in MES as part of the completion of the Merger Project and to acquire additional shares in P7S1, and EUR 140 million in MFE dividends.

At 31 December 2023, the **Workforce** of the Mediaset Group companies in the consolidation area numbered **4,971 employees** (4,858 at 31 December 2022).

Parent Company MFE closed the year ending 31 December 2023 with a net profit of **EUR 5.3 million**, down from the net profit of EUR 27.4 million recorded in 2022 due to the reduction of financial income relating to the dividends received from P7S1.

GROUP STRATEGY AND BUSINESS MODEL

MFE-MEDIAFOREUROPE is the holding group of one of the largest radio and TV broadcasting hubs in Europe. It has its registered office in Amsterdam (the Netherlands) and is tax domiciled in Italy and Spain, where it conducts its main business. MFE's ordinary A-class and B-class shares are listed for trading on the Euronext Milan stock market regulated by Borsa Italiana S.p.A. The Company's A-class shares are also 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).

The Group is the leading commercial TV operator in the Italian and Spanish commercial TV sector both in terms of ratings and advertising market share, offering free-to-air television programming on major general interest channels (Canale 5, Italia 1 and Rete 4 in Italy, and Tele5 and Cuatro in Spain) and a wide portfolio of semi-generalist and thematic channels available in linear and on-demand OTT services (Mediaset Infinity and Mitele).

In carrying on these activities, the Group oversees the entire media industry value chain, from content acquisition, production and distribution in both free-to-air and pay TV services (entertainment, news, drama, exclusive sports content, cinema) to direct management of advertising revenues from its own media and third-party broadcasters through its concessionaire companies specialised in local (Publitalia, Digitalia and Mediamond in Italy, and Publiespaña in Spain) and international markets (Publieurope). In particular, the MFE Group places a strong emphasis on producing its own local content. Both in Italy and in Spain, the Group's local content production companies (Medusa Film and Mediterraneo) play a vital role producing and distributing movies and unique entertainment programming and content which, as well as being integrated into the Group's linear and non-linear services, are also fed to major international OTT and TV broadcasting providers present in the Group's local markets, such as Netflix, Amazon Prime and Discovery.

MFE is also the largest shareholder of ProSiebenSat.1 Media SE, having secured a 28.87% direct interest in share capital (29.67% excluding treasury shares). The company, listed on the Frankfurt Stock Exchange and with a broad shareholder base, is one of the largest television media groups in Europe and a market leader in Germany, Austria and Switzerland.

In recent years, the media and entertainment industry has been undergoing rapid and significant change. New technological opportunities are spawning alternative means of distributing programming and content other than traditional products such as FTA TV and radio. This technological progress is leading to the internationalisation of traditional broadcaster models. The multimedia entertainment market is becoming more international as a result, with companies competing on a larger scale in the global marketplace. In addition, customers expect more personalised content with services, content and advertising that meet the demands of technologically engaged viewers and increasingly demanding and sophisticated investors. Overall demand for entertainment content continues to record rates of growth, both in traditional media and on new platforms. This global, more digital marketplace demands better connectivity and network infrastructure, and as such, multimedia entertainment companies are increasingly investing in this. Also in the digital environment, multimedia entertainment companies must invest greater resources to combat the piracy of feature films, TV programmes and other content.

In this increasingly dynamic and complex competitive environment, the Group's strategy in recent years has targeted the following objectives:

- Strengthen the Group's share of the advertising market in both Italy and Spain by offering advertisers linear and non-linear exposure that covers the entire commercial target audience, including younger TV audiences;

- Place an editorial focus on local and original entertainment content, films and series, and FTA football events as the primary catalyst for capturing viewer attention;
- Constantly review and optimise the Group's content mix (less American and more local content);
- Roll out a platform expansion strategy to make the Group's FTA content available "anywhere, anytime and on any device" – not only linearly to all television sets, but also to other devices (mobile, PC, tablet, game console, etc.) and at any time (on demand);
- Strengthen the Group's DTC (direct-to-consumer) offering with a wide variety of content (from local entertainment to live sports and blockbuster movies) and by integrating different business models (from free-to-air to pay-per-view) into a single platform;
- Constantly optimise the Group's organisational model, with a view to digital transformation, so as to enable cost savings and further efficiencies and to ensure that suitable reskilling and professional skills development processes are in place.

By pursuing these lines of action, the Group has been able to gradually and decisively improve its profits and cash generation. In the coming years, technological innovation, consumer behavioural trends, the development of new business models and other potential industry-specific developments are expected to pose significant challenges. However, they will also create major opportunities for players in the increasingly complex media and entertainment sector as – in addition to traditional local broadcasters, content providers (e.g. Disney, Warner and Universal), pay TV broadcasters (e.g. Sky and Canal+), OTT players (e.g. Netflix and Amazon Prime) – media agencies (e.g., WPP, Publicis and Havas) are growing increasingly able to disintermediate the supply content of national broadcasters and to adopt hybrid supply models supported by both subscriptions and advertising sales.

In this context, the Group operates with two main focus lines.

Keep concentrating on the lines of action set out above with the aim of further improving the efficiency and effectiveness of its business units – this should be achieved by closely monitoring its role as a socially responsible broadcaster, continually pursuing the highest standards of excellence both in the welfare, training and development of in-house skills and in ongoing investment in having an innovative service offering;

Play a significant role in the ongoing process of consolidating the European media industry in the medium/long term by targeting and seizing external growth opportunities in Europe and creating a pan-European media group in the (linear and non-linear) media and content sector, starting from its strong consolidated position in its reference markets. The Group's long-term strategic goal of stamping a larger footprint on the European media industry is considered functional to the Company's future development, as it will grant operational advantages both in terms of economies of scale and scope (e.g. streaming technology, AdTech) and new business opportunities that the current local scale does not allow (e.g. advertising, content production and distribution). In this context, the MFE Group aims to create a pan-European media group through a process of progressive cross-country consolidation: A new group of national television broadcasters with the goal of producing local content, which will work to build a large-scale, European technological and commercial platform. The merger project between MFE and Mediaset España, which was completed during the year, is a key step in building a European television hub that can compete internationally with greater cohesion and at a suitable size.

KEY CORPORATE TRANSACTIONS, EQUITY INVESTMENTS AND OTHER SIGNIFICANT EVENTS FOR THE YEAR

Cross-border merger by incorporation of Mediaset España Comunicación, S.A. into MFE MEDIAFOREUROPE N.V. (the "Merger")

In the first few 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.

MFE had launched the transaction on 7 June 2022 by tabling a Voluntary Public Purchase and Exchange Offer for the entire share capital of MES. This was sealed on 14 July 2022, handing MFE an 82.92% shareholding in MES. The subsequent transactional phases to implement the resolutions of the Boards of Directors and Shareholders' Meetings of MFE and MES of **30 January** 2023 and **15 March 2023** respectively, were as follows:

- 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 factored 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 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 liquid assets), its shareholding in ProSiebenSat.1 Media SE (13.18% of share capital) and the financial assets and liabilities related to that shareholding to **Grupo Audiovisual Mediaset España Comunicación**, **S.A.U.** ("GAM"), 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) (the "Merger") was signed, entering into effect on 3 May 2023. As provided for in the joint merger project, 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 swap 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. On 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.

- Also on the same date, all the 88,707,693 MFE A-Class treasury shares in MFE's portfolio were cancelled and the 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 **GAM** 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 liquid assets, the shareholding in ProSiebenSat.1 Media SE and the financial assets and liabilities related to that shareholding.

As a result of these transactions, which are treated as *Equity transactions*, the results of the Group's Spanish operations (attributable to MES before the merger) were consolidated according to Group's 84.45% shareholding in the first quarter and its 100% shareholding in the second quarter of the year.

On **14 June 2023**, as provided for in the joint merger project and on the basis of a specific listing application, MFE A-class ordinary shares (ISIN NL0015000MZ1), each carrying one voting right (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 holding in **ProsiebenSat1 Media SE** ("**P7S1**"), thus increasing its total shareholding from 25.01% as at on 31 December 2022 **to 28.87% of share capital** (of which 26.58% held directly and 2.29% secured through securities lending). Excluding treasury shares at 31 December 2022, , this shareholding corresponds to **29.70% of voting rights** (of which 27.34% held directly and 2.35% through financial instruments).

On **30 June 2023**, the Shareholders' Annual General Meeting of P7S1 resolved, based on the results for 2022, to distribute a dividend of EUR 0.05 per share, a significant reduction on the dividend of EUR 0.80 paid out the previous year. On the same date, that same Shareholders' Meeting, 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 the 4 members of the Supervisory Board (of which one MFE executive) with immediate effect. The Supervisory Board is the company's policy-making and control body within P7S1's dual governance structure, which supervises and oversees the Executive Board's management of the Company and is therefore directly involved in all major corporate decisions.

As detailed 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 2023**, MFE can be considered to meet 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).

Based on these new facts and circumstances, MFE's 25.54% stake in the share capital of P7S1 and its **26.28% share of voting rights and economic interests** have since been reclassified as an **investment in associates**, measured using the equity method in accordance with IAS 28. As the conditions for determining significant influence were not met in the first six months of the year up to 30 June, the entire investment held in P7S1 was instead subjected to the accounting treatment under IFRS 9, as was applied in prior years and for the year ending

31 December 2022. Under this accounting treatment, the carrying amount of the equity investment was remeasured at the quoted market price as at the balance sheet date with changes presented in other comprehensive income (without recycling to the profit and loss) in line with the accounting treatment applied to hedging derivatives. In addition, only MFE's allocated share of distributed dividends, equal to EUR 3.1 million (compared to 42.3 million for the same period in 2022), was reported under *Financial income* in the statement of income.

For the rest of the year, this accounting treatment continued to be applied to MFE's 3.33% **residual equity investment** (**3.42%** of voting rights and economic interests at 31 December 2023), which was hedged through financial instruments (collar with cash option or equity settlement) with the aim of protecting against fluctuations in fair value within a predetermined range. During the third quarter of the year, MFE duly proceeded to file notice with the relevant European and Austrian antitrust authorities before completing the cash-settled unwinding of the surviving collar over the equity interest and repaid the residual loan taken out upon acquiring an initial portion of the investment. With these transactions, MFE exceeded the direct investment thresholds provided for EU and Austrian Antitrust law. As described in Note 17 *Subsequent Events after 31 December 2023*, these procedures were completed in the second part of the year and in early 2024, respectively, with the final green light of both authorities.

Therefore, MFE's consolidated financial position for 2023 with regard to this investment includes a **EUR 3.1 million** share of **financial income** (EUR 42.3 million for the same period in 2022) in relation to the dividends resolved by P7S1 at the end of the first six months and – at the level of the ***Result of equity investments accounted for using the equity method*** – the Group's pro-quota share (26.25% net of the treasury shares existing at that date) of the net result of P7S1 for the second half of the year, which stood at **EUR -11.3 million.**

On 7 March 2024, P7S1 reported the **results of its 2023 Consolidated Financial Statements**, which showed a full year net loss attributable to the parent company's shareholders of EUR -124 million (in 2022, the Company had made a consolidated net profit attributable to the parent company's shareholders of EUR 5 million). Based on the net loss of -81 million euros recorded by P7S1 in the first half of the year, the net loss pertaining to the second half of the year, relevant for the valuation of the shareholding held by MFE in P7S1 at pursuant to IAS 28 applied starting from 30 June 2023 is equal to -43 million euros.

The consolidated net result for 2023 was impacted by more than EUR 80 million in costs associated with the organisational restructuring plans (of which EUR 69 million recognised in the first half of the year), by EUR 324 million in TV and movie broadcasting rights impairment and provisions for onerous contracts (EUR 233 million net of tax effects) entered into by the Company's management up to the end of the year following the impairment testing of programming assets and future content acquisition commitments accompanying the process of reviewing the Group's free-to-air linear and streaming services in the entertainment segment, which will see increased investment in exclusive local content and a drastic reduction in the volumes acquired from the leading American TV production companies through the renegotiation of multi-year output deals, which will be replaced by more targeted and selective acquisitions.

P7S1's results in the second half of the year – excluding the accounting impact of the above-mentioned impairment process – returned to the black, as the company offset the enduring tough economic and market conditions in Germany and the continuing year-on-year decline in total advertising revenues for the period (albeit this decline was far less pronounced than in the first two quarters, and even edged into the black in the fourth quarter) by rolling out actions to reduce television costs and increasing its revenues from commerce and venture activities.

On the same date, P7S1 submitted a proposal to the upcoming Shareholders' Meeting of 30 April 2024 to pay out an ordinary **dividend per share** of EUR 0.05, in line with that paid out in 2023.

At 31 December 2023, the carrying amount of MFE's investment in P7S1 – which includes an implied goodwill of EUR 165.2 million, provisionally determined in accordance with IFRS 3 with respect to the corresponding portion of P7S1's consolidated shareholders' equity at 30 June 2023 – was higher than the stock market value of the investee. In the presence of this indicator, the carrying amount of the investment was shown to be recoverable by assessing the value in use, which was determinable on the basis of the most recent external records available up to the balance sheet date, in particular in relation to the consensus stock valuation, as described further in Note 7.6 below.

Based on the Consolidated Annual Report 2023 and P7S1's corporate and public disclosures subsequent to the date on which the Annual Report was approved, no significant events were brought to the attention of MFE which should be reflected in the accounting valuation of the investment held by MFE.

An explained in detail about the equity Investment held in ProSiebenSat.1 Media SE also referring to the relevant subsequent event after 31 December 2023 is reported in Note 4 *Key Information relating to the Scope of Consolidation and Key Information relating to the Scope of Consolidation* and Note 17 *Subsequent Events after 31 December 2023.*

MFE distribution of dividends

On **7 June 2023**, the General Shareholders' Meeting of MFE approved the distribution of a unit 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 stock at that date). These dividends, amounting to a total of **EUR 140.1 million**, were paid out on **26 July 2023**.

Disbursement of compensatory economic measures to network operators

In relation to the provisions of the Ministerial Decree of 17 November 2021, published in the Official Gazette on 8 February 2022, the criteria and methods for providing the compensatory economic measures in favor of national network operators (the company Elettronica Industriale relatively to the MFE Group) who have incurred compliance costs:

- for frequency refarming;

- for preparing the transition of faciliies to the new DVB-T2 transmission standard.

The decree provided for two deadlines for submitting the application for admission to the contribution to the Ministry:

- for interventions carried out from 1 December 2020 to 8 February 2022, the deadline for submitting the application was 8 April 2022,

- for interventions carried out after 8 February 2022, applications could be submitted from 1 July to 31 December 2022.

With reference to the first term, as already reported in the 2022 Consolidated Financial Statements, Elettronica Industriale had submitted an application to be able to access these compensatory measures on 7 April 2022, requesting the reimbursement of an amount equal to 42.6 million euros and at the same time proposed via precautionary appeal to the TAR. By directorial decree of 27 June 2022, Elettronica Industriale was recognized, as provided for by the decree in an amount equal to 80% of the eligible expenses, an amount equal to 34.1 million euros.

As required by the decree. of this amount on 29 September 2022, Elettronica Industriale had received reimbursement of the amount of 29.8 million euros corresponding to the 70% share of eligible expenses.

On 23 December 2022, with reference to the interventions carried out after 8 February 2022, Elettronica Industriale presented a further request to be able to access the compensatory measures requesting reimbursement for costs and investments for a total amount of 10.5 million euros. With the directorial decree of 21 March 2023, the compensatory measures requested in this request were recognized and paid to Elettronica Industrale for an amount of 8.4 million euros (equal, as provided for by the decree, to 80% of the expenses deemed eligible requested).

As required by current accounting standards, the grants in question were also accuounted in 2023 for by applying a direct reduction to the operating costs and carrying amount of the investments 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.

In the decree of 21 March 2023, as provided for in the decree of 27 June 2022, the remaining 10% was also paid to Elettronica Industriale to balance the contributions recognized in the first tranche, for an amount equal to 4.3 million euros.

During 2023, the total amount financially disbursed to Elettronica Industriale was therefore equal to 12.7 million euros.

Decree of 17 April 2023 issued by the Ministry of Enterprise and Made in Italy - Annual subsidy for the use of digital frequencies

By decree published in the Official Gazette on 10 July 2023, the Ministry of Enterprise and Made in Italy set forth the criteria for disbusing the annual subsidy for the use of digital frequencies for the years 2022 and 2023.

For the year 2022, the subsidy for the use of a nationwide frequency in the terrestrial television bands was set at EUR 3.8 million per network (multiplex), based on the average revenues made by national network operators for each television frequency.

The decree set the subsidy rate at 15.7%, almost double the 8.5% rate applicable for the years 2020-2021.

The decree raised major concerns both in terms of the procedure used to calculate the subsidy (the rate was increased so as to keep the subsidy amount unchanged) and the breach of the multiplexer (MUX) tender regulations, which had permitted network operators to deduct the subsidy against payment of 1/2 multiplexers (Elettronica Industriale's investment had been EUR 8.9 million). Contrary to the regulations stipulated for the tender of 1/2 multiplexers, the decree instead redistributed the total amounts collected following the tender among all operators. On these grounds, Elettronica Industriale appealed to theo Regional Administrative Court of Lazio in October 2023 No hearing has yet to be scheduled in the case.

It has been calculated that Elettronica Industriale is due to receive EUR 7.5 million (net of deductions) for 2022.

On 3 August 2023, the Ministry, taking note of the critical issues of the Decree, also in relation to the calculation methods, started a review of the Decree, which is still ongoing.

MAIN GROUP COMPANIES

GROUP PROFILE AND PERFORMANCE REVIEW BY BUSINESS SEGMENT

MFE is a leading pan-European media group with a diversified portfolio comprising television, radio, digital and on-demand services, including OTT (Mediaset Infinity and Mitele). MFE has a strong presence throughout the media value chain, from the acquisition, production and distribution of free and pay TV content through specialist companies (Mediterraneo and Medusa), to the direct management of media advertising sales through its own concessionaires (Publitalia, Digitalia, Mediamond, Publiespaña and Publieurope).

In **Italy**, Mediaset is the leading operator by audience share and advertising market share in the commercial television broadcasting sector, with three of Italy's biggest general interest networks (Canale 5, Italia 1, Retequattro) and an extensive portfolio of thematic free-to-air and pay TV channels - both linear and non-linear/OTTV) - with a broad range of cinema, TV series and children's channel content. In recent years, Mediaset has also set up its own radio segment through acquisitions, bringing together four of the largest national broadcasters.

In **Spain**, MFE operates through **Grupo Audiovisual Mediaset España**, the leading Spanish commercial television broadcasting group with two main general interest channels (Telecinco and Cuatro) and a range of free-to-air thematic channels. The Group is also active in content production, OTT services and digital publishing activities.

ITALY

Media and distribution platforms are becoming more and more integrated in response to developments in the advertising market. In the television sector, in particular, competition has led to a proliferation of multichannel and multi-platform offerings, which has influenced advertising as much as production and editorial strategies.

For advertising, different media need to be managed articulately to maximise their viewer reach and leverage information profiling of the various target audience segments. Production and editorial operations, on the other hand, require coordination and synergy for content planning and strategies acquisition.

In this environment, the MFE Group has developed an integrated television free-to-air/pay television, linear/non-linear content model, which generates synergies and leverages the know-how gained over the years from producing entertainment, news and analysis programmes, together with the distinctive expertise developed by the subsidiary Medusa in movie distribution, in addition to the acquisition of sports, film and television series content from third-parties.

Also in keeping with this model is the development of web activities, increasingly oriented towards free online television-based video – with the capacity to rebroadcast and amplify content and supply, as well as launching original products.

The integrated television offer model consists of the following core business areas and other activities core business:

- **original content production and third-party content acquisition**, driving the broadcaster's offering and programming of generalist and thematic television; these activities have associated costs of production and self-produced content creation (news, entertainment drama) – key investments include the acquisition of multi-year rights licences from third parties, particularly for films and TV series supported by the Group;

- **editorial content distribution** for linear and non-linear, and free-to-air and pay-per-view television across various platforms and for radio content by Group broadcasters;
- **advertising sales**, through the Group’s concessionaires Publitalia ‘80 and Digitalia ‘08 respectively for TV and radio advertising sales and through the concessionaire Mediamond (joint venture between Publitalia and Mondadori, in which the Group will acquire a 100% shareholding in 2024) for the Group’s online advertising sales; these activities underpin the Group's main source of revenue, namely the sale of advertising space on managed media with a view to cross-media coverage;
- **other activities:** film production and distribution through Medusa Film, advertising concessions of third-party publishing houses in Italy through Digitalia and of foreign media through Publieurope, as well as publishing, licensing and merchandising activities. These activities generate other revenue components, in particular through film distribution and the sale and/or sublicensing of content and multiplatform rights, as well as the rental of transmission capacity to other sector operators and the sale of advertising space from third-party concessions.

CONTENT PRODUCTION AND ACQUISITION

Productions

The following table shows the hours of final programme time and the number of in house programming produced in 2023 by the subsidiary RTI SpA - which heads TV broadcasting activities in Italy by type of programme, broken up by general interest channels and thematic channels/semi-generalist channels.

Type	Final programme time (hours)		Productions made	
	2023	% total	2023	% total
Drama	3	0.0%	1	0.5%
News	4,734	42.8%	36	17.1%
Sport	596	5.4%	14	6.6%
Entertainment	2,630	23.8%	88	41.7%
Culture	89	0.8%	6	2.8%
Telesales	18	0.2%	19	9.0%
Promo and Advertising	26	0.2%	7	3.3%
Total Generalist Networks	**8,095**	**73.2%**	**171**	**81.0%**
News	2,129	19.2%	9	4.3%
Sport	230	2.1%	10	4.7%
Entertainment	561	5.1%	9	4.3%
Culture	35	0.3%	3	1.4%
Promo and Advertising	13	0.1%	9	4.3%
Total Thematic and Semi-Generalist Networks	**2,968**	**26.8%**	**40**	**19.0%**
Total	**11,063**	**100.0%**	**211**	**100.0%**

Acquisition of Broadcasting Rights (Movies, TV Series)

RTI SpA also acquires, develops and produces rights for domestic broadcasting on Free TV and Pay TV, stocking the biggest broadcasting rights library in Italy and one of the biggest in Europe. The television broadcasting rights library is constantly being expanded through acquisitions made under multi-year contract with major international and domestic producers and distributors.

The following table provides a breakdown of the broadcasting rights library by free-to-air and pay TV rights available at 31 December 2023:

Composition of the Broadcasting Rights Library at 31 December 2023	Free Tv		Pay TV-PPV	
	No. of titles	Episodes	No. of titles	Episodes
Film	4,287	4,287	1,040	1,040
Telefilm	699	14,662	210	3,691
Telenovelas	33	3,438	-	-
Mini-series	297	1,289	58	302
Soap operas	8	1,290	2	60
TV movies	606	636	120	145
Documentaries	470	1,773	16	179
Others (Musicals, Variety, Short, etc.)	148	370	1	3
Total	**6,548**	**27,745**	**1,447**	**5,420**

LINEAR AND NON LINEAR, FREE-TO-AIR AND PAY PER VIEW CONTENT DISTRIBUTION

Linear, free-to-air offering

The Group's linear free-to-air offering currently consists of 20 channels covering all major targets for advertisers, including three long-standing general interest channels (Canale 5, Italia 1 and Rete 4), and the thematic and semi-generalist channels Boing, Boing Plus, Cartoonito, Iris, La 5, Mediaset Extra, Italia 2, Top Crime, Cine 34, TgCom 24, R101 TV, Virgin Radio TV, Radio 105 TV, RMC TV, Twentyseven, Canale 20 and Focus.

The Group's **general interest channels** — Canale 5, Italia 1 and Retequattro — are controlled by RTI SpA, which is responsible for the creation and development of programme schedules, the production of original content and the acquisition of television rights. The Mediaset Networks' overall offering is designed to attract audiences between the ages of 15 and 64, which is the target audience of greatest interest for advertisers and a segment in which Mediaset is a strong market leader.

Canale 5 is the Group's main network and is targeted at the modern Italian family.

Italia 1 is the leading Italian channel for younger viewers.

Rete 4 is Mediaset's leading network among younger viewers.

The free-to-air **multichannel offering** includes the following channels:

Boing was the first Italian free-to-air children's channel. The channel was set up as a joint venture between R.T.I. S.p.A., which holds 51% of the share capital of Boing S.p.A., and Turner Broadcasting Systems Europe Limited, a Time Warner Group company, which owns the rights to some of the world's most popular cartoons.

Cartoonito is a channel aimed at pre-school-age children (up to 6 years old). Like Boing, it is a joint venture between Mediaset and Turner Broadcasting Systems Europe Limited. Cartoonito is targeted at a more specific audience than Boing.

Boing Plus re-broadcasts programming on the "Boing" and "Cartoonito" channels one hour later than the original channels.

Iris is a thematic channel focused on quality films. In addition to all the great movie classics, it also broadcasts programmes about cinema news, film stars and leading film festivals.

La 5 features programmes targeted at a modern female audience.

Mediaset Extra is a thematic channel that broadcasts a selection of the best in Mediaset entertainment programmes from the past and present. It enables viewers to re-watch the best programming from the Mediaset's generalist networks a day later and during a different viewing slot.

Italia 2 is the network targeted at young adult males. It features TV series, sitcoms, cult cartoons and sports and music programmes, in addition to live sports coverage of events such as world championship motorcycle racing.

Top Crime is the network dedicated to the investigation and police drama genre.

Cine 34 ("Italy to the Cinema"), officially launched on 20 January 2020 boasts programming exclusively focused on Italian cinema.

Tgcom24 is Mediaset's all-news channel. Broadcast free-to-air, 24-hours a day, it also online at Tgcom24.it and viewable on smart phones and tablets through free apps.

R101 TV is the thematic channel affiliated with R101, which covers music; it broadcasts music videos on rotation and some repeats of concerts already broadcast on Italia 1.

Virgin Radio TV is the thematic satellite channel affiliated with Virgin Radio, which covers music; it broadcasts music videos on rotation.

Radio 105 TV is the thematic channel affiliated with Radio 105, which covers music; it broadcasts music videos on rotation.

RMC TV is the thematic channel affiliated with Radio Montecarlo, which covers music; it broadcasts music videos on rotation via satellite as part of the Sky and TivùSat package.

Canale 20 is the channel airing TV series and sporting events.

Focus is the TV version of Italy's most read cultural and scientific magazine, covering science, nature, environment, animals, technology, history and current events with simple, clear and compelling language.

Twentyseven, which launched at 17 January 2002, is a channel focused on delivering film and TV series content, which aims to build a chilled, cheerful, stress-free, anxiety-free and fear-free programming.

The Group's linear free-to-air service is transmitted through the digital multiplexes of Elettronica Industriale, which manages traffic to and from the various production centres of parent company RTI SpA, making use of the infrastructure and services provided by investee EI Towers SpA.

The following table shows details of the **programme schedules** for 2023 for the different types of free-to-air offerings (generalist, semi-generalist and thematic), broken down by the main television genres attributable to in-house productions and rights purchased by third parties.

Mediaset Networks schedules - Broadcasting hours 2023

Type	Generalist Networks		Semi-Generalist Networks		Pay		Total Mediaset Networks	
Film	3,863	14.7%	19,482	13.1%	285	3.3%	23,630	12.8%
Drama	9,168	34.9%	36,857	24.7%	1,356	15.5%	47,381	25.8%
Cartoons	586	2.2%	27,800	18.7%	-	0.0%	28,386	15.4%
Total rights	**13,617**	**51.8%**	**84,139**	**56.5%**	**1,641**	**18.7%**	**99,397**	**54.0%**
News	6,814	25.9%	10,001	6.7%	3,049	34.8%	19,864	10.8%
Sport	749	2.9%	518	0.3%	244	2.8%	1,511	0.8%
Entertainment	4,352	16.6%	45,276	30.4%	3,720	42.5%	53,348	29.0%
Culture	748	2.8%	8,986	6.0%	106	1.2%	9,840	5.3%
Telesales	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total productions	**12,663**	**48.2%**	**64,781**	**43.5%**	**7,119**	**81.3%**	**84,563**	**46.0%**
Total	**26,280**	**100%**	**148,920**	**100%**	**8,760**	**100%**	**183,960**	**100%**

Mediaset's total audience over the 24-hour period in 2023 averaged **8.147 million viewers**.

Mediaset's **general interest networks** continued to lead the ratings for the commercial target among viewers aged 15 to 64 in all time slots, while Canale 5 attracted the highest number of viewers in all the time slots and Italia 1 continued to be the third national network.

SHARE YEAR 2023	Individuals			Commercial Target		
	24 hours	Prime Time	Day Time	24 hours	Prime Time	Day Time
Canale 5	17.6%	16.0%	18.3%	18.3%	18.1%	18.7%
Italia 1	4.7%	6.0%	4.4%	6.6%	7.7%	6.5%
Rete 4	4.0%	4.5%	3.9%	2.9%	3.2%	2.9%
Generalist Networks	26.3%	26.5%	26.6%	27.8%	29.0%	28.1%
Semi-Generalist Networks, Premium Cinema Channels and TV Series	11.5%	11.2%	11.0%	12.9%	12.0%	12.7%
Total Mediaset Networks	**37.8%**	**37.7%**	**37.6%**	**40.7%**	**41.0%**	**40.8%**

Free-to-air and pay non-linear offering

Mediaset Infinity is the digital hub of Mediaset's video services, making all Mediaset programming available to users live and for free through its linear services – with integrated Live Restart mode – and through its free or pay non-linear services deployable across desktop devices, mobile devices, smart TVs, STBs, game consoles, dongles, etc. Mediaset Infinity promotes digital extension initiatives for free to air programmes (Radio and TV), as well as digitally enhancing free-to-air programmes themselves by launching TV series and exclusive content in synergy and integration with the Spanish subsidiary.

Infinity+, Mediaset's non-linear pay service which is also available on OTT platforms Amazon Prime and TIMVision, hosts an abundant library of movies and TV series (with first-class international and Italian productions, as well as major film premieres), exclusive digital content (live and on-demand, specialist channels with self-produce content such as CineComico and CineAutore or content from other broadcasters such as MGM+ and Midnight Factory) and, up to the 2023-2024 season, includes 121 big UEFA Champions League matches (including 17 free-to-air).

The first quarter of 2023 saw the launch of Account Gold, enabling Infinity+ users to enjoy all AVOD content from Mediaset Infinity while also benefiting from various of services (e.g. reduced advertising pressure) to which new features will yet be added in 2024.

As a result of these and other initiatives, Mediaset's paying customer base grew further in 2023, surpassing one million customers by the end of 2022.

WhatsApp channels were also opened for the Mediaset Group's main brands in 2023 (e.g. TGCOM24, Sportmediaset, Mediaset Infinity).

RADIO OFFER

In the three-year period 2016-2018, the Group has established its commercial radio sector through a series of acquisitions made up of 5 radio stations: R101, Radio 105 and Virgin Radio Italy, RMC and Radio Subasio, each of which has a specific target audience. Each broadcaster develops an integrated system (radio, TV, digital and social media) to offer listeners and community users exclusive user experiences and content (Instagram, Facebook, TikTok, Twitter, You Tube, web radio, app). Each broadcaster is also strongly represented as an official radio station and partner of major music festivals, concerts, and cultural and sporting events organised throughout the country, at which they are a mouthpiece not only for music but also for environmental and sustainability issues.

R101 is a music station that focuses on music and entertainment for a purely adults target audience.

Radio 105 is a station that focuses on musical and entertainment radio station for the young adults target by developing a strong brand identity ("Radio 105: Proud to be different").

Virgin Radio Italy is a true international Lovemark: its strong STYLE ROCK music positioning puts musical programming at its heart, featuring carefully selected songs and the right balance of current and classic songs.

Radio Monte Carlo is the Principality of Monaco's Italian radio station. It is an internationally recognised and highly prestigious brand.

Radio Subasio is the local radio station with network ratings. Established more than 40 years ago, it is the leader in radio broadcasting in Central Italy.

ADVERTISING

The Group operates through two fully-owned advertising sales agencies in Italy: Publitalia '80, exclusive concessionaire of free-to-air Mediaset networks, and Digitalia ‘08, concessionaire for Mediaset and third-party radio media and sub-concessioned to manage advertising sales for TIM Serie A (to which Dazn holds exclusive rights for the three-year period 2021-2024) and Monza Calcio. The Group also owns a 50% interest together with Mondadori in Mediamond, which sells advertising space on Group websites and on the websites of the publications of the Mondadori Group and other publishers. In 2024, following the acquisition of the 50% stake held by Mondadori, Mediamond will become a wholly-owned subsidiary of the Group.

The table below show the “classic area” of the advertising market in Italy (which excludes direct mail investments) based on data released by ACNielsen.

	2023		2022 (*)		Change
Media	EUR M	Stake %	EUR M	Stake %	%
Printed press	633	11.6%	648	12%	-2.3%
Television	3,601	66.1%	3,527	66%	2.1%
Radio	399	7.3%	369	7%	8.2%
Outdoors	163	3.0%	151	3%	8.1%
Cinema	12	0.2%	10	0%	17.0%
Digital	508	9.3%	507	10%	0.1%
Transit	122	2.2%	105	2%	16.1%
Out of home TV	13	0.2%	11	0%	22.3%
Total market (classic area*)	**5,451**	**100.0%**	**5,328**	**100%**	**2%**

(*) Not including direct mail.

OTHER OPERATIONS

Film distribution

Medusa Film SpA is one of Italy’s biggest and most historic film distribution companies. The company mainly coproduces and distributes Italian and foreign films in Italy and then leverages the entire the life cycle of the product, from cinema releases to the sale of television rights in all their various forms.

International advertising

Publieurope Ltd. is the Group company that manages the Group's strategy on the European advertising market. Its mission is to use cross-media coverage to raise additional revenue through advertisement investments by international clients. It does so by maintaining constant contact with the headquarters of multinationals, by researching and engaging new foreign clients interested in making advertising investments in the Italian market and seeking out new concessionaires and new products in other countries.

SPAIN

Grupo Audiovisual Mediaset España is the leading private television group in Spanish commercial television in terms of viewers and advertising revenues and one of the most profitable groups in Europe in the sector.

The Group operates in Spain mirroring the MFE Group in Italy as an integrated television group in the following areas of activity:

- **Advertising revenues of Group-owned television media** via the advertising sales company Publiespaña Group
- **Advertising revenue on non-television media**, both Group-owned and third-party
- **Generalist television** on nationwide channels **Telecinco** and **Cuatro**
- **Multichannel broadcasting**, with free thematic channels: **Energy**, a thematic channel with sport content targeted at a young male audience; **FDF** (Factoría de Ficción), featuring Spanish and international drama series; **Boing**, a children's entertainment channel; **Divinity**, targeted at a young female audience. **Be Mad**, targeted at a male audience (between 16 and 44 years);
- **OTTV activities** via the Mitele and MitelePlus streaming platforms
- **Internet** (via the company Conecta 5).

THE ADVERTISING MARKET

The table below show the advertising market in Spain based on data released by Infoadex.

Media	2023		2022		Change
	EUR M	Stake %	EUR M	Stake %	%
Printed press	341	5.8%	349	6.1%	-2.2%
Television	1,564	26.5%	1,557	27.4%	0.5%
Local television	94	1.6%	95	1.7%	-0.8%
Magazine	126	2.1%	123	2.2%	2.4%
Radio	461	7.8%	447	7.9%	3.2%
Outdoors	407	6.9%	350	6.1%	16.2%
Cinema	20	0.3%	21	0.4%	-2.5%
Thematic Channels	76	1.3%	79	1.4%	-3.4%
Internet	2,810	47.6%	2,671	46.9%	5.2%
Total market	**5,901**	**100%**	**5,692**	**100%**	**4%**

BROADCASTING AND AUDIENCE SHARE

With respect to viewing figures, the Mediaset España Group continued to be the leader in terms of total viewers over the 24-hour period and with respect to the commercial target audience.

SHARE YEAR 2023	Individuals 24 hours	Individuals Prime Time	Individuals Day Time	Commercial Target 24 hours	Commercial Target Prime Time	Commercial Target Day Time
Telecinco	10.4%	9.3%	10.8%	11.0%	10.2%	11.3%
Cuatro	5.2%	5.9%	4.9%	6.1%	6.9%	5.7%
Generalist Networks	15.6%	15.2%	15.7%	17.1%	17.1%	17.0%
Total Semi-Generalist and Thematic Networks	10.0%	9.4%	10.3%	11.0%	9.5%	11.7%
Total Mediaset España Networks	**25.6%**	**24.6%**	**26.0%**	**28.1%**	**26.6%**	**28.7%**

The following table shows, in 2023, Mediaset España scheduling programme breakdown

Mediaset España schedule - Broadcasting hours 2023

Type	Generalist Networks		Thematic Networks		Total Mediaset Networks	
Film	1,173	6.7%	9,711	22.2%	10,884	17.8%
Drama	1,523	8.7%	24,849	56.7%	26,372	43.0%
Cartoons	0	0.0%	6,867	15.7%	6,867	11.2%
Total rights	2,696	15.4%	41,426	94.6%	44,123	72.0%
News	1,999	11.4%	0	0.0%	1,999	3.3%
Sport	196	1.1%	13	0.0%	209	0.3%
Entertainment	3,073	17.5%	1,353	3.1%	4,426	7.2%
Culture	9,556	54.5%	1,008	2.3%	10,563	17.2%
Total productions	14,824	84.5%	2,374	5.4%	17,197	28.0%
Total	**17,520**	**100%**	**43,800**	**100%**	**61,320**	**100%**

CONTENT PRODUCTION AND DISTRIBUTION

Grupo Audiovisual Mediaset España manages its own content distribution business through the creation of **Producción y Distribución de Contenidos Audiovisuales Mediterráneo S.L.U.**, a company incorporated with the intention of bringing together all of the Group's production companies under a single organisational structure so as to maximise both the marketing of content internationally and the main video-on-demand subscription platforms. These companies produce audiovisual, film and digital content, across entertainment, drama, film, sport and digital formats, aimed at acquiring and developing international formats, including by entering into agreements with other independent producers.

TV RIGHTS INVESTMENTS

In 2023, Grupo Audiovisual Mediaset España continued to invest in television broadcasting rights. Investment policy was focused not only on consolidating Spanish drama series, as well as on providing a stream of high-quality content both for the main channel and for new thematic channels, with a view to building up its television rights library and defending audience share in the future, and with it the Spanish group's advertising revenues.

Spanish television broadcasters are required by law to invest at least 3% of their operating revenues in Spanish and European film productions. At Mediaset España, this legal obligation has been taken up as a business opportunity, and through the subsidiary **Telecinco Cinema SAU** the group has been producing quality feature films for some years.

DIGITAL FREE-TO-AIR AND PAY NON-LINEAR SERVICES

The Group's websites include the web channels Mitele.es (live online streaming platform), Mtmad.es (exclusive online video platform), Eltiempohoy.es (weather page), Yasss.es (website with content aimed at millennials), Uppers, Mediaset.es (website presenting the Group's corporate content), El Desmarque (football and sports news website) and Nius Diario (news website), in addition to apps broadcasting the Group's main content (Mitele, Mediaset Sport, Gran Hermano) and the social media accounts of each channel, program or series (Facebook, Twitter and Instagram).

MAIN INVESTMENTS

MAIN ASSOCIATES AND JOINT-VENTURE INVESTMENTS

MFE is the largest shareholder of **ProSiebenSat.1 Media SE** with a total shareholding of 28.87% in share capital (29.67% excluding treasury shares to date), of which 26.58% is held directly and 2.29% secured through financial instruments. ProSiebenSat.1 Media SE is one of the largest television media groups in Europe and enjoys a position of leadership in Germany, Austria and Switzerland. It has a broad shareholder base and is listed on the Frankfurt Stock Exchange.

EITowers is a subsidiary of the F2iSGR private equity fund, which is 40%-owned by MFE-MEDIAFOREUROPE N.V. The EI Towers Group is one of the largest operators in integrated service network infrastructure for electronic communications, serving radio and television broadcasters and mobile and wireless telecommunications providers under long-term agreements. In particular, EI Towers provides its clients with hosting facilities on its infrastructure (transmission "towers" or "stations") for transmission plant and signal broadcasting antennae, as well as a range of high-tech services in design, planning, technical assistance, ordinary and extraordinary maintenance, and logistics. In addition, the group manages broadcast contribution links the television productions of other domestic broadcasters covering sporting events and news programmes. It does so using its own operating centres and satellite and fibre-optic network infrastructure. Under a multi-year full-service agreement running from 1 July 2018 to 30 June 2025 and renewable for a further seven years subject to renegotiation of a new price during the agreement's last 12 months, EI Towers offers hosting, assisting and maintenance services, the design of transmission equipment and broadcast contribution management to Elettronica Industriale, a Mediaset Group network operator, and provides hosting and maintenance services for the radio broadcasting equipment of the Group's broadcasters.

Mediamond SpA is a sales house equal joint venture between Publitalia'80 and Mondadori Pubblicità specialised in selling Group's television and video websites and on websites of Mondadori Group agencies, as well as selling advertising space with third-party broadcasters. As described in Note 17 *Subsequent Events after 31 December 2023*, from 1 January 2024 the Group will hold a 100% stake in this investment and in its subsidiary Videowall, an OOH station concessionaire.

Boing SpA is a joint venture between RTI SpA (51%) and Turner Broadcasting System Europe (49%), producing and managing two free-to-air children's channels, Boing and Cartoonito, which have been broadcast on the digital terrestrial platform since 2004 and 2011, respectively.

Fascino Produzione Gestione Teatro Srl is an equal joint venture between RTI SpA and Maria De Filippi. The venture partner's exclusive artistic and creative contribution enables the company to develop, plan and deliver television programmes that tend to go out on Canale 5's *prime-time* and *day-time* slots, including *C'è Posta per te*, *Amici* and *Uomini e Donne*.

Tivù Srl is a company formed in 2008 whose shareholders are RTI SpA, Rai Radiotelevisione Italiana SpA (each holding 48.16%), La7 Srl (3.49%), and other shareholders, performing advertising and planned communication activities for users of the free-to-air digital terrestrial and satellite platform. In particular, it manages services linked to the satellite platform for the free-to-air digital TV offering called "TivùSat", which supplements the digital terrestrial platform for users of some of the regions and autonomous provinces that this signal does not reach.

EBX is a joint venture set up by Mediaset Italia, Grupo Audiovisual Mediaset España, ProSiebenSat.1, TF1 and Channel 4, which produces and distributes digital audio content and plans pan-European digital campaigns.

OTHER EQUITY INVESTMENTS

As part of venture capital project **AD4Ventures**, the Group also holds non-controlling interests in Italian and Spanish medium-sized start-ups with high growth and development potential (particularly digital start-ups operating in the consumer and retail sectors). These companies run ad campaigns in Italy and Spain by reinvesting the capital injections received from Mediaset. Since its launch, AD4Ventures has invested in 17 European start-ups, 8 of which having their registered office or operational headquarters in Italy.

CONDENSED FINANCIAL STATEMENTS AND SECTOR INFORMATION

The tables included in this section are referred to the consolidated income statement, balance sheet and cash flow statement presented in a condensed and reclassified form compared to the mandatory financial statements, in order to highlight the intermediate aggregates considered most significant for understanding the Group's results and to highlight the contribution and the breakdown of the economic performance at the level of Operating Result (EBIT) of the two geographical areas in which the activities take place, Italy and Spain. The alternative performance measures used in these statements are described in the section entitled "*Definition and reconciliation of alternative performance measures (APMs or non-GAAP measures)*".

GROUP PERFORMANCE

MFE GROUP

Reclassified Income Statement EUR million	**2023**	**2022**	**Change (EUR million)**	**Change (%)**
Consolidated net revenues	**2,810.4**	**2,801.2**	**9.1**	**0.3%**
Personnel expenses	(476.5)	(478.7)	2.3	-0.5%
Purchases, services, other costs	(1,551.6)	(1,518.9)	(32.7)	2.2%
Operating costs	(2,028.0)	(1,997.6)	(30.4)	1.5%
Gross Operating Result (EBITDA)	**782.3**	**803.6**	**(21.3)**	**-2.7%**
TV Rights amortisation	(395.9)	(412.2)	16.2	-3.9%
Other amortisation, depreciation and impairments	(84.1)	(111.3)	27.2	-24.5%
Amortisation, depreciation and impairments	(480.1)	(523.5)	43.5	-8.3%
Operating Result (EBIT)	**302.3**	**280.1**	**22.2**	**7.9%**
Financial income/(losses)	(26.5)	31.6	(58.1)	-183.7%
Result from investments accounted for using the equity method	3.9	25.5	(21.6)	-84.8%
Profit Before Tax (EBT)	**279.7**	**337.2**	**(57.5)**	**-17.1%**
Income taxes	(62.9)	(62.2)	(0.8)	1.2%
Non-controlling interest in net profit	(7.5)	(58.1)	50.6	-87.1%
Group Net Profit	**209.2**	**216.9**	**(7.7)**	**-3.5%**

The following table shows key Group income statement figures stated as a percentage of consolidated net revenues.

MFE GROUP

	2023	2022
Consolidated Net Revenues	**100.0%**	**100.0%**
Operating costs	-72.2%	-71.3%
Gross Operating Result (EBITDA)	**27.8%**	**28.7%**
Amortisation, depreciation and imperments	-17.1%	-18.7%
Operating Result (EBIT)	**10.8%**	**10.0%**
Profit Before Tax (EBT)	**10.0%**	**12.0%**
Group Net Profit	**7.4%**	**7.7%**

MFE GROUP
Consolidated Net Revenues
EUR million

	2023	2022	Change (EUR million)	Change (%)
Gross advertising revenues	2,767.7	2,743.9	23.8	0.9%
Agency discounts	(326.7)	(323.3)	(3.4)	-1.0%
Net advertising revenues	2,441.0	2,420.6	20.5	0.8%
Other revenues	369.4	380.7	(11.3)	-3.0%
Consolidated Net Revenues	**2,810.4**	**2,801.2**	**9.2**	**0.3%**

Below are the main economic indicators of the operational management of the two geographical areas, Italy and Spain, the latter coinciding with the perimeter of the corporate activities attributable to Grupo Audiovisual Mediaset España.

ITALY

Main indicators

EUR million	2023	2022	Change (EUR million)	Change (%)
Gross advertising revenues	1,986.1	1,946.0	40.1	2.1%
Agency discounts	(292.2)	(286.1)	(6.1)	-2.1%
Net advertising revenues	1,694.0	1,659.9	34.0	2.1%
Other revenues	284.3	277.8	6.6	2.4%
Consolidated Net Revenues	**1,978.3**	**1,937.7**	**40.6**	**2.1%**
Gross Operating Result (EBITDA)	**481.9**	**462.3**	**19.6**	**4.2%**
Operating Result (EBIT)	**147.2**	**88.5**	**58.7**	**66.3%**

SPAIN

Main indicators

EUR million	2023	2022	Change (EUR million)	Change (%)
Gross advertising revenues	781.5	799.4	(17.9)	-2.2%
Agency discounts	(34.5)	(37.2)	2.7	7.2%
Net advertising revenues	747.0	762.2	(15.2)	-2.0%
Other revenues	86.1	103.1	-17.1	-16.6%
Consolidated Net Revenues	**833.0**	**865.4**	**(32.3)**	**-3.7%**
Gross Operating Result (EBITDA)	**300.7**	**342.7**	**(41.9)**	**-12.2%**
Operating Result (EBIT)	**154.8**	**192.4**	**(37.6)**	**-19.5%**

BALANCE SHEET AND FINANCIAL POSITION

Below the Group's *Condensed and Reclassified Statement of financial position* at 31 December 2023 and 2022 that shows the two main aggregates **Net invested capital** and **Net financial position**, the latter consisting of *Total financial debt* less *Cash and cash equivalents* and *Receivables and current financial assets*. Details of the items making up the *net financial position* are provided in Note 12.7.

The statements therefore differ in their layout from the Statement of financial position included in the Consolidated Financial Statements, which primarily distinguishes current from non-current assets and liabilities.

MFE Group **Reclassified Statement of Financial Position** EUR million	**31 Dec 2023**	**31 Dec 2022**
TV and movie rights	752.6	775.3
Goodwill	804.7	804.2
Other tangible and intangible non current assets	775.7	785.1
Equity investments and other financial assets	994.9	956.4
Net working capital and other assets/liabilities	498.2	496.4
Post-employment benefit plans	(49.3)	(50.5)
Net invested capital	**3,776.8**	**3,766.8**
Group shareholders' equity	2,869.1	2,667.9
Non-controlling interests	4.9	225.7
Total Shareholders' equity	**2,874.0**	**2,893.6**
Net Financial Position Debt/(Liquidity)	**902.8**	**873.3**

STATEMENT OF CASH FLOWS AND INVESTMENTS IN FIXED ASSETS

The table below is the *condensed and reclassified cash flow statement* showing cash flows over the two periods. Unlike the standard IAS 7 layout used to prepare the statutory cash flow statement, these tables show changes in Net Financial Position, considered the most significant indicator of the Group's ability to meet its financial obligations. The statement shows the **cash flow generated from continuing operations** (***free cash flow***) separately from the cash flow generated or used by M&A transactions (*scope of consolidation changes*), acquisition and/or sale of equity investments or minority interests in subsidiaries, other strategic/financial assets, change in financial liabilities following the capitalisation of assets held under finance lease and recognised under IFRS 16 (changes included in *Equity investments/Investments in other financial assets and changes in shareholdings in subsidiaries*) distribution and/or receipt of dividends, and share buybacks by the parent company or its subsidiaries, and from the net cash flows generated from operations classed as available for sale or discontinued under IFRS 5.

MFE Group **Reclassified Statement of Cash Flow** EUR million	**December 2023**	**December 2022**
Net Financial Position at the beginning of the year	**(873.3)**	**(869.2)**
Free Cash Flow	**279.6**	**366.2**
Cash Flow from operating activities (*)	745.6	739.6
Investments in fixed assets	(466.4)	(389.0)
Disposals of fixed assets	5.3	4.1
Changes in Net working capital and other assets/liabilities	(5.0)	11.5
Change in the consolidation area	0.2	(0.1)
Treasury share (sale)/buyback of the parent company and subsidiaries	-	(32.6)
Equity investments/Investments in other financial assets and change of interest held in subsidiaries other financial assets	(196.8)	(284.5)
Dividends received	29.6	80.9
Dividends paid	(142.1)	(133.9)
Financial Surplus/(Deficit)	**(29.5)**	**(4.1)**
Net Financial Position at the end of the year	**(902.8)**	**(873.3)**

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

The table below shows the **investments in fixed assets** reported in the cash flow statement.

MFE - Investments in fixed assets EUR million	**December 2023**	**December 2022**
Investments in TV and movie broadcasting rights	(382.9)	(345.1)
Changes in advances on broadcasting rights	(0.1)	7.4
TV and movie broadcasting rights: investments and advances	**(383.0)**	**(337.7)**
Investments in other fixed assets	(83.3)	(51.3)
Total investments in fixed assets	**(466.4)**	**(389.0)**

For 2023, cash flows tied to the **Change in the consolidation area** concerned the cash disbursements made to increase the Group's investment in Dr. Podcast Audio Factory Limited from 30% to 70.1%. As a result of this increase, this company has been consolidated on a line-by-line basis commencing the second quarter of 2023. In 2022, this item referred to the acquisition, at the beginning of the year, by concessionaire Digitalia '08 of investee Mediamond's business unit engaged in radio advertising sales for Group and third-party broadcasters.

Equity investments/Investments in other financial assets and changes in shareholdings in subsidiaries for 2023 included further interests in P7S1 for EUR 74.3 million, the acquisition of the remaining non-controlling interest in MES for EUR 71.7 million as a step towards completing the Merger of MES into MFE, and the transfer to the balance sheet of assets (and corresponding increase in financial liabilities) worth EUR 38.4 million in response to the early renewal of multi-year leases of immovables destined for office use and accounted for under IFRS 16. In 2022, this item included disbursements of EUR 184.2 million as the cash component of the Offer that led it to acquire an additional 27.23% stake in the subsidiary Mediaset España and EUR 69.4 million to settle some tranches of collars expired during the year and other share acquisitions (1.1%) relating to the investment held in ProsiebenSat1 Media SE.

In 2023, **dividends received** from equity investments mainly referred to EUR 19.6 million from the associate EI Towers (EUR 24.0 million in 2022) and EUR 3.4 million from ProSiebenSat.1 Media SE (EUR 40.3 million in 2022).

In both years, **dividends paid** referred to the pay-out of dividends by the parent company MFE-MEDIAFOREUROPE N.V.

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

The Alternative Performance Measures (APMs) included in this Directors' Report on Operations are as follows:

Consolidated net revenues indicate the sum of *Revenues from sales of goods and services and Other income* in order to state the aggregate positive income components generated by core business and to provide a reference measure for calculating the main operating profitability and net profitability indicators.

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

EBIT - Operating Result is calculated by taking the *Net result for the year* (as provided for by the International Accounting Standards), adding *Income taxes*, then subtracting or adding *Financial income/(losses)* and *Result from investments* accounted for using the equity method. EBIT is also shown in the consolidated income statement.

Adjusted EBIT - Operating Result is the intermediate alternative indicator calculated by excluding certain items from the Operating Result (mainly the costs of approved restructuring plans and staff reduction plans and any adjustments to the value of non-financial assets following impairment testing) to allow for a better interpretation of the Group's operating profitability.

EBITDA and EBIT are typical intermediate performance inputs for calculating the Net result for the year (IFRS performance measure). Although the Net profit for the year provides a comprehensive measure of the company's profitability, it does not provide an adequate overview of its operating profitability. EBITDA and EBIT show the Group's capacity to generate operating income without taking account financial management, the valuation of equity investments and any tax impact.

Adjusted Group net profit is calculated excluding from Net Profit for the year the items not included in the Adjusted EBIT - Operating Result net of related tax effects.

Net financial position is calculated by aggregating the IFRS items *Non-current financial payables and liabilities*, *Payables to banks* and *Current financial liabilities and subtracting* , *Cash and cash equivalents* and *Current financial assets*, with adjustments made to those items to exclude the following: i) the fair value of derivatives hedging foreign exchange risk, except for the part exceeding the change in the foreign-currency payables hedged. ii) the fair value of derivative instruments hedging equity instruments; and iii) loans granted to associates and financial liabilities on options on minority interests in subsidiaries.

Net financial position shows the extent to which financial debt exceeds cash and cash equivalents and financial assets, and is the summary indicator used by management to measure the Group's ability to meet its financial obligations.

Net invested capital is calculated by taking IFRS item *Shareholders' equity* and adding the Net financial position. Net Invested Capital is a summary measure of the net assets invested and provides an immediate overview of the Group's deployments, showing the activities in which the Group has used financing to invest in capital resources, such as Television and movie broadcasting rights. In relation to certain components of Net invested capital, please note that the items Equity investments and other financial assets include assets recognised in the Consolidated Statement of Financial Position as *Investments in associates and joint ventures* and *Other financial assets* (the latter limited to Equity investments and Non-current financial receivables, thus excluding hedging derivatives, which are included as Net working capital and Other assets/liabilities). On the other hand, Net working capital and Other assets/liabilities include current assets (apart from cash and cash equivalents and current financial assets included in the Net financial position), deferred tax assets and liabilities, non-current assets held for sale, provisions for risks and charges, trade payables and tax liabilities.

Free cash flow is calculated by taking IAS/IFRS measure *Net cash flow from operating activities* (excluding the item "Net cash flows from discontinued operations"), then adding:

- "Net cash flow from/used in investing activities", comprising the items "Revenues from the sale of fixed assets", "Interest paid or received", "Investments in TV and movie broadcasting rights", "increases/(decreases) in advances for broadcasting rights" and "changes in payables for investments in broadcasting rights", "Investments in other fixed assets", excluding "Payments for investments in strategic assets" and "Increases in tangible assets (rights of use)", recognised pursuant to IFRS 16;
- "Interest received or paid", as contained in the item "Net cash flow from/used in financing activities".

Free cash flow is a summary measure that management uses to measure the net cash flow from operating activities. This is an indicator of the Group's organic financial performance and its ability to pay dividends to shareholders and support external growth and development operations. The following statements show the **reconciliations** of the alternative performance measures as at 31 December 2023 and 2022, compared to key IFRS items.

	2023	2022
Net profit for the year	216.8	275.0
+ Income taxes	62.9	62.2
+/- Financial income/(losses)	26.5	(31.6)
+/- Result from investments accounted for using the equity method	(3.9)	(25.5)
+ Depreciation, amortisation and impairments	480.1	523.5
EBITDA	**782.3**	**803.6**

	2023	2022
Net profit for the year	216.8	275.0
+ Income taxes	62.9	62.2
+/- Financial income/(losses)	26.5	(31.6)
+/- Result from investments accounted for using the equity method	(3.9)	(25.5)
EBIT	**302.3**	**280.1**

	2023	2022
Current financial assets	38.8	34.1
Cash and cash equivalents	175.3	522.5
Financial liabilities and payables	(801.1)	(1,095.6)
Due to banks	(231.5)	(265.2)
Other financial liabilities	(63.9)	(78.6)
Difference on derivatives [1]	(26.9)	0.2
Difference on receivables and loans [2]	6.5	9.2
Net financial position	**(902.8)**	**(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.

EUR million	2023	2022
Group and non-controlling interest shareholders' equity	2,874.0	2,893.6
+/- Net financial position ((Debt)/Liquidity)	(902.8)	(873.3)
Net Invested Capital	**3,776.8**	**3,766.9**

	2023	2022
Net cash flow from operating activities	769.0	775.0
+/- Proceeds from the sale of fixed assets	0.4	5.8
+/- Investments in TV and movie broadcasting rights	(421.0)	(361.1)
+/- Purchases of other fixed assets	(47.1)	(52.5)
+/- Interest (paid)/received	(27.5)	(12.1)
+ government grants	6.6	21.8
+/- Other adjustments	(0.5)	(10.7)
Free Cash Flow	**279.6**	**366.2**

BUSINESS OUTLOOK

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

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

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

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

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

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

DISCLOSURE OF THE MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

THE ENTERPRISE RISK MANAGEMENT SYSTEM IN THE MFE GROUP

As an integral part of its Internal Controls and Risks Management System, MFE Group has adopted a Group Risk Management model in order to be able to monitor and respond better to the risks to which it is structurally exposed.

The Internal Controls and Risks Management System is "the set of rules, procedures and the organisational structures designed to enable a business to be performed in a healthy and proper manner in accordance with pre-set objectives, through an adequate process of identification, measurement, management and monitoring of the main risks. An effective system of internal controls contributes to ensuring the protection of company assets, the efficiency and effectiveness of the business operations, the reliability of the financial information, and compliance with applicable laws and regulations".

The Group has adopted the ERM (Enterprise Risk Management) methodology, which uses COSO ERM 2017 as a reference, in the Guidelines on the Internal Control and Risk Management System issued by the Board and updated periodically by MFE.

The periodic risk identification and assessment process found that the control of company risks is being managed adequately overall and in line with the risk appetite previously set by the Board. In recent years, the Group has demonstrated a willingness and ability to progressively adapt the methods of control of strategic and process risks, both in relation to developments in the competitive environment and to the growth opportunities offered by the market, in the knowledge that the current economic situation and the major changes in market and industry sector trends generate high levels of uncertainty and therefore require continuous monitoring and a high degree of attention.

The main risks and uncertainties and setting risk appetite

In carrying out its activities, the Group identifies the main categories of risk and uncertainties that could affect the pursuit of its objectives and have an impact on the Group's economic and financial situation and its assets. For each of the risk factors identified, the Group sets its own risk appetite (i.e. the level of exposure to uncertainty and variability - both internal and external - that the management is willing to assume and accept in its decision-making and management process) with the aim of underpinning the pursuit of strategic goals and mission in line with the system of business values.

Given the nature of its core business and the highly regulated sector in which it operates, in carrying out its activities and pursuing its objectives defined in the *Strategic Guidelines* the Group may however be exposed to discontinuity and uncertainty factors pertaining to sudden and unexpected changes outside of the organisation over which the management does not have significant levers to direct their development and take significant mitigating action. These elements can include national and international geopolitical developments, natural disasters, pandemics, changes in socio-demographic trends, macroeconomic downturns and underperforming financial and capital markets, new laws and regulations, and new developments in technology and transmission infrastructures. The intensity and duration of these factors can directly or indirectly compromise the Group's operational and financial continuity - with unpredictable degrees of severity - and the structural balance and conditions for competition in its reference markets.

In addition to these factors, the Group's main identified risk factors identified that could affect the pursuit it of its policies and objectives, and for which the management sets its own risk appetite in advance, are of the types described below.

Strategic risks linked to both external and internal factors, which are capable of structurally threatening the business model and the sustainability of the competitive advantages acquired by significantly compromising the achievement of medium-long term objectives, financial solidity and the creation of economic value for shareholders:

- external and sector risks, mainly attributable to the evolution of the economic cycle, the evolution of the intermediate and final reference markets (consisting of the demand for the consumption of audiovisual and entertainment content and the demand for advertising space), the evolution of the competitive context and the related dynamics of availability and contestability of the key production factors, consisting of strategic content and artistic resources and the evolution of the regulatory context of reference on an international and national basis;
- internal risks associated with the implementation of strategy lines and guidelines aimed at tackling the structural maturity of conventional reference markets by leveraging the ability - by operating an editorial offer model grounded in original self-produced content with a strong local connotation - to generate stable and high coverage of commercially relevant targets, based on constant efforts to make efficient and optimise related processes with a view to generating operational flexibility and cost control, as well as by proceeding on an evolving pathway - including through partnerships and alliances - to develop new editorial and commercial models and generate adequate managerial, professional and technological skills in the interests, too, of moulding a corporate and organisational model that allows for the pursuit of supranational outward growth strategies.

Operational risks and process risks, mainly attributable to:

- risks concerning business interruption, IT security and crisis management
- financial risks concerning the management of financing needs and fluctuations in prices, interest rates and exchange rates
- risks concerning unprotected intellectual property rights
- risks concerning the handling of legal disputes

Governance and Compliance Risks, mainly pertaining to compliance with the laws and regulations in the sector of operations, compliance with financial and non-financial reporting obligations, management of environment/related ESG factors (management and control of energy consumption, waste and discharges, and emissions; and compliance with regulations on the installation of radio and television broadcasting equipment in terms of complying with the limits set for electromagnetic emissions) and the main corporate social responsibility obligations associated with Human Resources management policies (health and safety, non-discrimination and the protection of human rights, diversity and equal opportunities, training, and trade union and industrial relations) and core broadcasting activities.

With reference to the risk factors so identified, the Group sets its risk appetite in advance. This based on the principles and values set out in the Company's codes of conduct, main organizational guidelines and operating procedures. It is set differently for each risk category in inverse relation to the management's oversight capacity, the levers it is able to exercise over these factors and the importance of safeguarding parameters in the medium term and structurally defining the Company's market position (advertising market shares and audience coverage) as well as its financial sustainability and self-sufficiency (compliance with the financial covenants laid down in the main loan agreements).

On this basis, the Group is substantially and totally risk-averse in how it manages all key ***areas of compliance*** (legal and regulatory compliance, reporting obligations) by equipping itself with appropriate organisational tools and adequate internal and external expertise. It also has a very low risk appetite in its key ***management and operational processes***, aimed at ensuring operational and financial continuity and offer maximum protection to its tangible and intangible assets and intellectual property rights. To achieve this, the Group has the appropriate tools in place to monitor and analyse requirements and to plan the necessary investments and purchasing commitments. It also has appropriate insurance coverage and offers staff training, defines specific policies and behavioural standards, and prepares and implements specific protocols capable of dealing with and managing crisis situations and disaster recovery.

On the other hand, the Group's risk appetite is progressively more open in its ***strategic decision-making and management processes***, such as when negotiating unique valuable content, acquiring strategic assets and in its development and external growth projects. By their nature, these are more heavily influenced by exogenous and market factors and operators, with the management's approach aimed at weighing up specific assessments in terms of return on investment and strategic cost/opportunity aspects in order to obtain overall competitive advantages.

Below we describe each of the major strategic and operational risk categories and factors structurally present for the Group's activities summarised above, as well as a description of their nature and the main operational and mitigation measures put in place by management with a view to the main evidence available as at the date of these consolidated financial statements.

External and sector risks

Risks connected to international geopolitical developments and the economy

The core business of the Group depends to a large extent on the performance of advertising investments, which are structurally cyclical and very closely related - albeit with differences between the various product sectors - to the general performance of the economy and the growth of end markets, where customer companies operate. Although the correlation between macroeconomic trends (GDP and private consumption) and advertising investment is inherently predictable over the long term, in recent years there has been a lower correlation between these trends.

Trends in advertising investment have nonetheless been negatively affected in recent years by economic recession or other economic weaknesses in both of the Group's key geographic markets. Nevertheless, the traditional trend for advertising investment to be concentrated in times of crisis on general interest television, guaranteeing greater visibility on the mass market, has historically allowed the Group to consolidate its respective market shares, both in Italy and in Spain, even against such a backdrop.

Amid heightened geopolitical instability triggered by the ongoing conflict in Ukraine and the military escalation in the Middle East following the Hamas terrorist attacks in Israel, the global economy continued to perform poorly in 2023, as the FED and the ECB further tightened their monetary policy to counter the surge in inflation that followed the destabilisation of raw materials markets. This destabilisation was particularly pronounced in the energy and food markets, causing energy costs to become highly volatile.

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 residing in the countries involved in the conflict. Given the nature of its business, it may be indirectly exposed 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 and in commodities sectors which, in turn, are directly exposed within the global raw materials market and in interconnected markets in terms of international supply chains.

Amid this challenging global landscape, the national economies in Italy and Spain held up exceptionally well, recording moderate growth at odds with other Eurozone countries and gradually managing to stem the upward trend in energy prices.

Overall, the highly uncertain international economic outlook could continue to be affected by the ongoing war in Ukraine and a potential escalation of conflict in the Middle East, thus bringing harm to an economy that should instead be going through a gradual normalisation of its restrictive monetary policy as inflation continues to subside.

In this context, Mediaset's market leadership in terms of advertising share and editorial results in its reference markets, together with its strong focus (especially in Italy) on cost-cutting, consolidated the Group's medium-term financial equilibrium in recent years and laid the foundations for recovering margins with greater efficiency, as well as dynamism, were general market conditions are stable.

Risks connected to the development of the media & communications market

Technological changes, audience fragmentation and the increase in competition

The traditional broadcaster models are now constantly exposed to the process of enlargement of the traditional competitive scenario, mainly driven by the technological progress. The advent of innovative new distribution platforms gradually modified the way consumers approach media, guiding them towards more customised, less standardised models with services, content and advertising that responds to the demands of technologically involved viewers and increasingly demanding, sophisticated investors.

The main market trends that represent new competitive forces may be summarised as follows:

- Technological progress has steadily changed methods of usage of content, towards more interactive/on demand media, which specifically favour the migration of younger members of the public towards more "customised" forms; This process is expected to take root in the coming years with the process established in Italy to transition to the new DVB-T2 transmission technology, which will involve the progressive replacement of the current fleet of televisions with internet-connectable smart TVs.
- Demand for entertainment content continues to record rates of growth, both in traditional media and on new platforms.
- For the general commercial television sector, the convergence of broadcasting platforms is, on the one hand, creating growth opportunities (multi-channel offers and Pay TV) but, on the other hand, is posing potential threats such as audience fragmentation and an increase in the total overall number of available platforms for accessing television content (satellite, internet, mobile, etc.), resulting in greater complexity in the competitive environment.
- The multiplication of broadcasting platforms is increasing the value of broadcasting content and strengthening the competitive advantage of "traditional" operators who have the know-how for the conception, development and packaging of content and the building of programme schedules.
- The absence of technological barriers and the increased penetration of connected Smart TVs are increasing the risk of traditional broadcasters being bypassed by groups that own original content and formats, or by Internet operators, some of whom are beginning to move towards purchasing content on the market in an attempt to replicate the competitive supply models of rival broadcasters, in some cases by adopting hybrid offerings featuring both a pay subscription or pay-per-view component and a freeview component funded by advertising.
- In Spain, the competitive outlook is becoming increasingly fragmented, even though the television market continues to be consolidated around the two main private hubs, consisting of Grupo Audiovisual Mediaset España and Atresmedia.

The situation described above could result in the risk of less interest in the free-to-air generalist television by the TV viewing public, part of which has been made more sophisticated and demanding by new communication media and, consequently, there may be the risk for the Group of not adequately covering opportunities resulting from new emerging businesses. Mediaset's strategic approach to the principal risk of these competitive dynamics is to consolidate its current model of aggregator and multiplatform distributor, which is the best way for the Group to face the challenges of the market and the evolving consumer models by defining an integrated editorial system in which the various components (free generalist, free multichannel, free/pay non-linear and web, radio) have a position that is coherent with the market, and structuring business mechanisms that can guarantee effective coordination in operational terms, and also in terms of the production/purchasing strategies for content and sales and a distinctive editorial model in terms of OTT services, which is heavily based on the availability of local and loyalty-building content (news, entertainment and scripted content). This approach will maintain for both the general-interest and special interest channels which are most important for free-to-air, control over the more concentrated audience and also, using the model mainly based on OTT television, control over the more diversified audience.

In implementing this strategy, Mediaset has a competitive advantage, in terms of its long established culture in the general life interest TV business and its unique know-how as a general broadcaster which was the first to develop innovative models (prepaid pay-per-view model). Along with the activation of TGcom24, the innovative offering of Infinity on-demand content was added, while in 2021 the new Mediaset Play/Infinity online platform was definitively launched, with the rights to stream the UEFA Champions League up to the 2023-2024 season.

The Group is drawing on highly-trained personnel with consolidated experience in various areas of the free TV business. In recent years it has also acquired new professional roles to strengthen its internal know-how in the areas of innovation and development.

Coverage of the content market

A further element that characterises the evolution of the media & communications sector is the growing value of the content.

In Italy, the Group, through its subsidiary RTI SpA owns the biggest Italian library of television broadcasting rights and one of the biggest in Europe, thanks to long-term agreements with the leading American major studios and distributors and independent American and European producers (TV movies, soap operas, miniseries and TV serials), which ensure coverage of the needs of the Group's Free TV and Pay TV businesses.

In Italy, the MFE Group offers the best national movie and TV productions both through its subsidiary Medusa Film (a market leader in film production and distribution) and the library of original movies and TV series produced Taodue (a company merged into RTI SpA in 2023). In Spain, content (drama, cinema, sporting events and digital formats) is produced and marketed to third parties by Mediterraneo and its subsidiaries and by Telecinco Cinema, the company responsible for managing the investment and distribution of domestic and European film productions in a manner consistent with to applicable rules and regulations and which, in recent years, has forged a position of market leadership by selecting, financing and distributing highly successful titles. The Group in Italy also holds exclusive free-to-air broadcasting rights on generalist networks to the Coppa Italia and the Italian Super Cup for this and the next three seasons and non-exclusive rights for this season to air the best match of each round of the UEFA Champions League (including the final) plus another 104 matches on its live pay streaming service, which is basically all UEFA Champions League matches except one per round.

Risks connected to the development of the advertising market

TV advertising receipts are still the Group's main source of revenue although in recent years it has diverted by into additional income streams consisting of non-linear pay streaming, establishing a presence in complementary businesses such as the sale of multiplatform content, teleshopping and film distribution.

In the current general and industry sector environment, advertising sales are subject to shorter economic cycles and to the evolution of the markets where its customers operate and are structurally impacted by the expansion of the competitive environment due to continuous technological progress. This, in turn, generates structural processes of fragmentation and diversification in the consumption of products and multi-platform audio-visual media.

In this scenario, the data on total television viewing in Italy - with the exception of the lockdown peak of 2020 - show an essentially stable trend in television consumption. However, this growth is spread across a greater variety and number of channels, which has accompanied the increase in recent years in the penetration of the digital terrestrial platform, resulting in the steady and natural erosion of the television viewing share held by the historical and generalist TV channels.

The general-interest free to air TV model will still be the main channel through which a high number of contacts can be made over the next few years but it is clear that particularly in the current scenario, the attraction of and hence competition among, semi-generalist channels with a greater ability to profile specific targets, has also increased.

For this reason, the Group’s current commercial strategy is focusing on maintaining and consolidating the overall audience shares provided through its editorial offer as a whole, by leveraging the stability and broad coverage of all commercially relevant targets also in terms of its complete free-to-air generalist offering, as well as leveraging the integrated multiplatform cross-media offer which is unique in Italy.

This strategy is pursued both in Italy and in Spain, where the Group operates with its own exclusive internal advertising sales houses Publitalia ‘80 (adverting sales on television media), Digitalia (Group and third-party radio advertising revenues as well as DAZN’s Serie A and Europa League advertising revenues) and Publiespaña. Over the years, these firms have consolidated their market leadership, by developing operational and management models able to rapidly respond to the changing needs of advertising investors and market developments, by attracting new investors, and by developing commercial policies designed to maximise the television broadcaster’s ability to segment the most commercially attractive targets and to optimise the positioning of advertising slots within programme schedules.

Leveraging this know-how, the Group – through its internal advertising sales houses – aims to focus on cross-media sales, leveraging advertising sales on television, online and radio with unrivalled coverage across the national scene.

Furthermore, thanks to the skills acquired and gained in recent years, the Group's concessionaires are now at the cutting edge in marketing new and innovative targeted advertising methods (*Ad-Tech, addressable, programmatic*). This segment is expected to grow rapidly over the next few years, characterised by a growing prevalence of connected TVs.

The figures for market shares achieved by the Group’s agents, within their respective advertising markets, are shown in the specific sections of this Director’s Report that analyse the Group’s business activities. Those relating to customer concentration are presented in the section on the management financial risks in the Notes to the Consolidated Financial Statements.

Risks related to regulatory changes

The Group operates in various business areas characterized by a complex set of rules and regulations. Therefore, the violation of these rules and regulations with consequent economic damage (application of administrative sanctions), image and reputation constitute a risk factor for one's characteristic activity.

Following serious and repeated violations of these rules, the suspension of the activity or the revocation of the authorizations for the supply of audiovisual media services is also foreseen in the most serious cases of non-compliance with the orders and warnings issued by the competent authorities.

Furthermore, in Italy the authorization of the *network operator* activity on terrestrial frequencies can be limited or revoked by the Ministry or the Authority within their respective competences.

In the competitive context now steadily extended to global web operators, and in particular to video sharing platforms, a central regulatory issue for television publishers is represented by the need to limit the current regulatory asymmetry between the television sector and new services, in particularly those usable via the internet, above all in order to limit the current dominant positions of these operators.

In this changed context, in fact, it is becoming increasingly difficult for a generalist national broadcaster to maintain a primary role in the creation and distribution of content. It is therefore essential to safeguard the socio-cultural function of audiovisual media services which guarantee the protection of pluralism and the of user rights, including minors.

Digital terrestrial television and the free linear services, especially general ones, provided through it, represent by far the favorite means of information and entertainment for the majority of the population.

If, therefore, regulation must not hinder but rather promote technological innovation (for example with regard to the important developments of cross-media made possible by the growing technical and editorial integration between traditionally distinct means, such as TV and radio), on the other hand, it is necessary not only to guarantee that the new services respect the general principles and user rights, but also to safeguard the specific role of free universal platform of digital terrestrial, and of the linear services that characterize it. For this purpose, it is essential to guarantee fairness and equal competitive conditions, avoiding, for example, the exploitation of positions of technological power to the detriment of the accessibility of services of general interest, with consequences detrimental to pluralism.

this context, the main events that characterized the regulatory framework during the year are reported below.

On 9 June 2023 the Ministry of Enterprise and Made in Italy launched a public consultation on the draft legislative decree to amend Legislative Decree 208/2021 of 8 November 2021 (Consolidated Text of Audiovisual Media Services), which in turn transposed Directive (EU) 2018/1808 of the European Parliament and of the Council of 14 November 2018 amending Directive 2010/13/EU (Audiovisual Media Services Directive) in view of changing market realities. The public consultation phase has ended and the amendment is currently going through parliament.

Meanwhile, by resolution of 25 January 2023, Agcom ordered a public consultation to be launched concerning the rules and guidelines for ensuring the ***prominence*** of general-interest audiovisual and radio media broadcasting services and the accessibility of the automatic numbering system for digital terrestrial television channels in accordance with paragraphs (1), (2) and (7) of Article 29 of the Consolidated Law on Audiovisual Media Services.

Prominence refers to the prioritisation, placing in evidence and better accessibility of the services and content produced by entities the Authority defines as "general interest" (i.e. digital terrestrial audiovisual media services with a duty to be informative). This principle must be complied with in all areas pertaining to enjoyment, channel guides, searching, recommendations and display such to enable users to navigate, discover and access general interest services.

Following the public consultation, Agcom issued Resolution 294/23/CONS adopting the Regulations on Accessibility of the Automatic Channel Numbering System for Digital Terrestrial Television, which stipulates that:

- the automatic numbering system must be installed on all devices capable of receiving the DTT signal;
- at least one of the remote controls provided with each device must have numerical keys that provide access to DTT channels;
- the numerical keys must be enabled, and therefore usable by the user, from any environment.

The resolution also stipulates that DTT channels must be accessible through a clearly and immediately visible box or icon in the first homepage window (i.e. the first level of services offered to the user) of devices capable of receiving the DTT signal.

In Italy the **roadmap for transition to DVB-T2** must also be defined. The last Roadmap Decree has yet to be amended. The Rai Services Agreement contains an obligation for Rai to broadcast on a DVB-T2 mux. The start date was originally set at 10 January 2024, but was later postponed to September 2024.

On 14 December 2023, at the *World Radiocommunication Conference* in Dubai, the document **allocating frequency band 470694MHz** was approved. For Region 1 (Europe, Africa and the Middle East), the primary allocation for broadcasting remained unchanged. Two footnotes were introduced regarding the main allocation: one footnote on secondary mobile allocations and one footnote on primary mobile allocations.

Unlike other European countries, Italy and Spain have only been given a primary broadcasting allocation, without no reference to other allocations; all other European countries are included in the footnote on secondary mobile allocations. The only countries with a primary mobile allocation are Middle East countries, where broadcasting restrictions are much stricter than in neighbouring countries.

This is an important milestone because the review of frequencies in the band below 700 MHz, planned for WRC 2031, concerned only part of that band (614–694 MHz).

On the subject of **advertising crowding**, in 2017 Agcom initiated a dispute, following reports from competing radio broadcasters, following which RTI was sanctioned for exceeding the hourly crowding limits of television advertising following the counting, in these limits, of the promotional messages of our radio programming.

The Italian Council of State, appealed by RTI for the purpose of annulment of the sanctions, had referred to the Court the evaluation regarding the notion of "issuer's announcements", excluded from the crowding calculation, to evaluate the inclusion, in this definition, of the announcements made by our radio stations as part of the Group's television programming.

The Court of Justice, with a ruling dated 30 January 2024, ruled that advertisements promoting radio programming cannot be considered in the same way as television broadcaster programs for the purposes of exclusion from the calculation of advertising limits.

Regarding obligations for **programming and investment in European and independent productions**, MFE Group has continued to offer Italian viewers free-to-air programming that features a broad and substantial range of European and Italian audiovisual productions across all genres.

The system of quotas for programming and investment in European productions plays a fundamental role in enhancing identity-based content and strengthening Italian independent production. Irrespective of their regulatory obligations, the support of broadcasters for European audiovisual productions has been and remains a genuine market strategy to add variety and quality to their schedules.

In keeping with its decades-long tradition, the MFE Group continues to offer Italian viewers free-to-air programming that features a broad and substantial range of European and Italian audiovisual productions across all genres.

Specifically, as part of its linear services, the Group broadcast around 90,000 hours of European productions in 2022, of which 52,843 were Italian original works.

More than 44,000 hours of child-suitable content were broadcast, including 26,749 hours of dedicated children's programming.

As regards investment quotas, the MFE Group has invested more than EUR 190 million in European independent productions, of which EUR 161 million in recent Italian independent productions.

Approximately EUR 28 million have been invested in Italian original film productions, of which EUR 26 million in productions during the past five years.

The amounts invested are significant, especially taking into account the changing trends in audiovisual content viewership and the ongoing crisis in movie theatres. In addition, the current system of tax credits only being granted to independent production companies gives those an unfair advantage over audiovisual media service providers and non-independent production companies.

Here too, Agcom – which is responsible for supervising compliance with obligations concerning European production works – in its recent reporting to the Government, noted the complexity and onerousness of the system and issued a detailed call for a rethink of the system of European quotas and sub-quotas so as to provide greater simplification, flexibility and transparency.

Risks related to the implementation of strategies and the main operating processes

Risks related to business interruption

For an integrated television Group, the risk of business interruption mainly refers to the following:

- Risk that the network infrastructure is not adequate to ensure service levels in terms of availability;
- Risk of a partial local area coverage failure due to the international coordination in transition to the digital technology;
- Risk of a partial local area coverage failure due to the assignment of part of the frequencies currently used for broadcasting, to other services.

The latter two risks have been considerably reduced by the resolutions adopted at the recent WRC-23, (World Radio Communications Conferences).

Elettronica Industriale SpA, an MFE Group company, owns the transmitters for transmission and broadcasting and the rights to use the frequencies. The transmitters are attached to approximately 1,350 technological towers available to El Towers SpA, in which MFE holds a 40% shareholding, under a framework agreement between the two companies that was renewed for seven years from 1 July 2018. All transmitters are adequate for DVB-T2 broadcasts, even though they are still broadcasting on DVB-T. The towers of EI Towers SpA cover 96% of the Italian population.

The Company has been granted a network operating license for 3 digital multiplexes on terrestrial frequencies, through its subsidiary Elettronica Industriale.

To reduce the first risk type, signal transmission and broadcasting systems have been put in place which meet the high availability criteria by using equipment that ensures a high level of reliability (high availability or fault tolerance systems). In addition, the main signal distribution systems are equipped with backup systems.

Signal transportation networks have been created based on an architecture that uses various alternative resources (radio bridge networks, satellites, fibre optics), thereby guaranteeing greater security in signal transport and optimal infrastructure in terms of reliability.

Results in quality and availability terms are constantly monitored by dedicated monitoring centres.

The second of the risk types mentioned above concerns the need to coordinate the transmission facilities operating in Italy with those operating in neighbouring countries. This coordination could enforce coverage area restrictions, particularly for facilities located in border zones. To reduce this risk, antennae will have to be made capable of concentrating the signal as far as possible within the areas served, thus limiting its diffusion in protected areas. EI Towers is backed by more than 30 years' experience conducting ever-more-advanced research into antennae which help reduce the risk of coverage loss. MFE, through its subsidiary Elettronica Industriale, also played a key role in the digital switchover that was completed in 2012, having made investments in digital broadcasting infrastructure (multiplexes) from 2003 onwards. This long-held experience in managing digital networks has enabled Elettronica Industriale to take full advantage of SFN technology while simultaneously mitigating its problem issues.

The analogue switch off was planned and carried out gradually in Italy between 2008 and 2012 in Italy with a region-by-region digital switchover.

Financial risks

During 2023, a prudent approach was maintained by reviewing existing credit lines to define the optimal debt structure following the merger with Mediaset España.

In the opening months of the year, EUR 300 million in maturing credit lines were renegotiated together with EUR 100 million in new credit lines, bringing the total to EUR 400 million (of which EUR 200 million in Term Loans and EUR 200 million in Revolving Credit Facilities.

Following the merger with Mediaset España, some of the available cash was used to restructure debt by extinguishing the most costly credit lines early and reshaping the available credit lines accordingly. A total of EUR 576 million was repaid (of which EUR 406 million in Term Loans and EUR 170 million in Revolving Credit Facilities).

MFE's total committed credit facilities at 31 December 2023 stood at EUR 1,300 million, of which EUR 400 million available.

In accordance with the Group's policy on liquidity, the average financial exposure in 2023 did not exceed 80% of the total average amount provided by lenders.

The presence of variable rate debt and the acquisition of television and movie broadcasting rights in currencies other than the euro (mainly the US dollar) clearly exposes the Group to risks related to fluctuations in interest and exchange rates. In accordance with its financial risk management policies, the Group, through derivative contracts entered into with third parties, has adopted a management approach for such risks aimed at eliminating the effect of the exchange rate fluctuations by establishing in advance the value at which such rights will be recognised once acquired, and setting or limiting the free cash flow differences due to market changes in interest rates on medium/long-term debt.

The Group also continued to operate 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 the Liquidity Risk Policy adopted by MFE, 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 during the year 2023, 45.6% of the MFE total credit facilities were available and unutilised.

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.

More detailed information regarding financial risk management policies, including those relative to sensitivity analyses on exchange rates can be found in the specific section of the Notes to the Consolidated Financial Statements under "Disclosures about financial instruments and risk management policies".

Risks concerning unprotected intellectual property rights to content

The oversight of risks connected with control of the content market also means a greater focus on content produced on markets that are constantly monitored to seek innovative content and through the continuous effort made by the Group in conjunction with other international players and competent bodies to safeguard the industrial model of broadcasters, ensuring protection of copyright on the web. In recent years, MFE has brought a series of legal actions, in particular against OTT operators, following repeated violations whereby thousands of copyrighted videos have been uploaded onto the websites of these operators without authorisation and has achieved significant court rulings in which some portals were sentenced to compensate MFE for these violations, with significant penalties now in place for any future uploads of MFE material without authorisation.

Risks connected with the management of legal disputes

Due to the nature of its business, the Group is subject to the risk of legal litigation in the performance of its activities. In view of current obligations relating to past events of a legal or contractual nature or deriving from statements or actions taken by the company that could give rise to well-founded expectations by third parties that the company is responsible for or has to accept responsibility regarding the fulfilment of an obligation, the Group has made appropriate allocations to risk provisions, recognised under liabilities in the Group's financial statements.

For more information on the main legal disputes, see the relevant section of the "Notes to the consolidated financial statements".

ESG risks

ESG risks are also included, according to their significance as expressed in the Group's Materiality Matrix, in the Group's strategic risk assessment model, which is structurally focused on the external and internal risk factors directly related to its business model and the guidelines defined by the Board of Directors. ESG risk areas are also included, in line with their importance as expressed in the Group's Materiality analysis. This assessment involves identification of material risk/opportunity factors for each of the ESG areas.

Each risk profile is assessed by taking into account: the general background context (also for benchmarking against leading operators in the TMT sector); the monitoring of the Group's main initiatives and projects in these areas; and the main feedback from key stakeholders.

An assessment was carried out during the annual update process, which highlighted that the controls put in place by the Group were generally adequate. This conclusion was based on the prevalence of active and positive approaches to ESG issues, which are in line with its core values and instrumental to pursuing its business objectives. Particular focus and consolidation were dedicated to the development initiatives in the area of Human Resources (training, equal opportunities, welfare, health and safety) and the monitoring of the overall broadcasting offering. These initiatives were also in response to the greater sensitivity of end users and advertising investors to ESG issues and involved consolidating projects and initiatives aimed at optimising consumption and reducing direct emissions.

As part of the risk map periodically monitored and assessed by management, **ESG - Environmental, Social and Governance** factors are primarily identified and included in the Governance and Compliance risk category. The Group's substantive and precautionary stance towards this risk category is one of total risk aversion, having in place appropriate organisational tools and adequate internal and external skills to manage and mitigate those risks. Typical governance risks, such as the risk of legislative and regulatory non-compliance, the inadequate conferral of powers and proxies, and inappropriate remuneration policies, are mitigated by implementing a consolidated corporate governance system, which applies the provisions of the Italian “Codice di Autodisciplina” (the statutory corporate governance code applicable to listed companies) as well as national and international best practice and the relevant regulatory provisions.

In terms of the corporate environmental responsibility profiles underlying the management's conduct, ESG factors also refer to the benchmarking criteria adopted in managing the main administrative and operational processes, in particular in assessing investment projects and technical innovation initiatives, in the defining and planning the Group's overall editorial output and social media campaigns (particularly in view of the heightened sensibility of end users and advertising investors to ESG issues), and in managing and making policies for human resources development and enhancement, which is a strategic core factor for the Group.

At present, the impact of climate change on and by the Group, both directly and indirectly, is not critical. As reported in the section below on non-financial disclosures, the climate change risks facing the Group in the coming years are monitored in the ERM annual update assessment with a view to how this might compromise its business continuity. Currently such risks are not of a material nature in the medium term due to the physical disaster recovery solutions already in place.

The Group also carefully complies with and monitors developments in climate change regulations, with particular reference to the recommendations set forth by the European Commission (Communication 2019/C 209/01 “Guidelines on non-financial reporting: Supplement on reporting climate-related information") and the European Commission's recent adoption of the Media and Audiovisual Action Plan (MAAP) – a plan for the media and audiovisual sector that aims to support the recovery and transformation of these sectors which have been particularly hard hit by the pandemic and which are essential for democracy, cultural diversity and the European digital autonomy. This action plan focuses on three main areas of activity (recovery, transformation, more tools and capacity) including the creation of a climate-neutral audiovisual industry. The Association of Commercial

Television in Europe (ACT), of which Mediaset is a founding member, is preparing a position paper for the EU institutions on this plan.

Risks connected with reputation and stakeholder relations

One of the main strategic objectives of the MFE Group is to constantly maintain and increase its content innovation and the perceived value of its brand as its business model develops. In meeting this objective, there is a risk that the Group could pursue editorial and communication strategies and initiatives, targeted at the financial market and public opinion, that have a negative impact on perceptions of the Mediaset brand. This risk is primarily managed by constantly making sure that certain processes are constantly being monitored, in particular:

- programming, which is monitored through daily analysis of viewership behaviour, both in terms of ratings and the viewer satisfaction of the programmes on offer (thus reflecting public perceptions of the editorial line taken by the networks) and through ongoing action to protect and cater to children and other corporate responsibility issues;
- communication processes aimed at financial markets and public opinion;
- production processes and their capacity to produce quality and innovative products.

Risks connected with human resource management

The Group acknowledges the central role played by human resources and the importance of maintaining clear relationships based on mutual loyalty and trust, supported by putting in practice the conduct dictated by the Code of Ethics.

Management and cooperation in employment relationships is founded on respect for the rights of workers and a full appreciation of their contribution with a view to promoting their development and professional growth.

In particular, in the current competitive environment in which technological innovation is triggering a profound shift towards digital transformation, which is significantly affecting the core areas of the Group's business sectors (creation and distribution of video content, marketing of advertising space), the Group is dedicating an increased focus on recruiting, training and enhancing the value of its human resources. Particular attention is also paid to identifying talent, to creating development paths that strengthen the Group's key skills (especially those relating to technology and the conception and creation of editorial products), to providing specific training, to setting and developing career paths and to setting out bonus schemes. In this regard, the Group has annual performance assessment systems in place, in which it clearly defines shared objectives, which are measurable both in numerical, economic and financial terms and in individual and qualitative terms. Moreover, to promote the desired corporate climate and culture, the Group is continuously committed to improving internal communication streams, including by implementing more advanced collaboration tools in line with the market (new corporate intranet project, Office 365 and instant messaging tools for all company employees) and by introducing innovative and flexible ways of working (flexi-work).

Risks connected to environmental policies

The Group’s broadcasting activities are regulated by various environmental regulations and standards which set maximum limits on civil exposure to electromagnetic fields, thus affecting the planning of the Group’s TV broadcasting networks in Italy.

In Italy, exposure to electrical, magnetic and electromagnetic fields is governed by Italian Framework Law No. 36 of 2001 and Italian Presidential Decree of the Council of Ministers of 8 July 2003, which set limits on the exposure of the population to electrical, magnetic and electromagnetic fields with a frequency ranging from between 3 MHz and 3 GHz, and sets the warning thresholds and quality objectives for electrical, magnetic and electromagnetic fields with a frequency ranging from between 100 KHz and 300 GHz as follows:

2023	Intensity of electric field E (V/m)	Intensity of magnetic field H (A/m)	Power density D (W/m2)
Exposure threshold	20	0.05	1
Warning threshold	6	0.016	0.10
Quality objective	6	0.016	0.10

Recently, Article 10 of Law 214/2023 of 30 December 2023 (Annual Market and Competition Law 2022) requires a review of exposure limits, warning values and quality objectives in light of the latest accredited scientific evidence. In the interim, and in the absence of specific regulations in the matter, the legislation requires the use of the warning values and quality objectives given in the table below wihin 120 days of this legislation taking effect.

2023	Intensity of electric field	Intensity of magnetic field	Power density
Warning threshold	15 V/m	0.039 A/m	0.59 W/m2
Quality objective	15 V/m	0.039 A/m	0.59 W/m2

The exposure limit is the value of the electrical, magnetic and electromagnetic field, regarded as the emission value, set to protect health against severe effects, which must not be exceeded under any condition of exposure of the population and workers.

The warning threshold is the electrical, magnetic and electromagnetic field value – regarded as the emission value – which must not be exceeded in residential areas, schools and places of extended stay.

The quality goals are:

- location criteria, urban planning standards, requirements and incentives for the use of the best available technologies, as indicated in regional laws;
- the electrical, magnetic and electromagnetic field values, set by the government for the progressive mitigation of exposure to those fields.

Despite widespread concerns among the population linked to the effects of electromagnetic fields, the World Health Organization and the latest scientific literature have concluded that current evidence provides no proof of health damage resulting from exposure to weak electromagnetic fields. Therefore, compliance with the exposure limits recommended by domestic and international guidelines enables monitoring of the risks of exposure to electromagnetic fields which may be harmful to health.

The critical factors for constructing transmission equipment and adhering to legal limits are:

- the need to emit high power levels;
- the difficulty of erecting tall towers for the installation of transmission antennas;
- the proximity of housing to the transmitter or the issue by municipalities of new permits for the construction of housing close to plants;
- the presence on the same site of other broadcasters (particularly radio broadcasters), which can result in the limits being exceeded when emissions are aggregated.

Broadcasting installations are designed, developed and operated in compliance with Italian law. In accordance with the Group's operating practices, all necessary measures are taken, when designing new sites or modifying existing ones, to keep electromagnetic pollution within the parameters set by the regulations in force. In particular:

- the construction of tall towers for transmission antennas in order to keep them as far as possible from areas accessible to the population;
- improved orientation of transmission antennas, to concentrate the signal on the area to be served and use less power minimising the electromagnetic radiation detectable at ground level (areas accessible to the population);
- identification, where possible, of installation sites far from residential areas;
- submission of the project for prior assessment and authorisation by local authorities and regional environmental protection agencies, as required by the Code of Electronic Communications (Italian Legislative Decree 259/03).

In 2023, 352 requests were made to modify plants, 100% of which were approved due to being compliant with current regulations, including compliance with the population exposure limits for electromagnetic fields.

In 2023, the Regional Environmental Protection Agencies carried out six checks, one of which at a critical location due to the high power transmitted or the vicinity of transmission systems to housing. In all cases, the Group's plants were found to comply with current regulations concerning public protection from electromagnetic fields.

Specific company departments are responsible for mapping installations with a risk of electromagnetic pollution and establishing monitoring plans as well as, where necessary, the use of internal and external resources (certified external advisors).

CONSOLIDATED NON-FINANCIAL DISCLOSURE

This section meets the requirements of the civil code and the Dutch non-financial information decree (*Besluit bekendmaking niet-financiële informatie*), transposing Directive 2014/95/EU to which the MFE Group (hereinafter also referred to as the "Group") is subject. It is an extract taken from the Group Sustainability Report, drawn up in compliance with the "Global Reporting Initiative Sustainability Reporting Standards" 2021 defined by the Global Reporting Initiative (GRI), in accordance with the "in accordance" option.

This section lists the initiatives and main results in the economic, social and environmental fields achieved by the Group during 2023 (from 1 January to 31 December), through a description of the management models, the policies implemented by the company, the results achieved and the main real and potential positive and negative risks and impacts generated with reference to the topics expressly referred to by the Dutch decree on non-financial information (environmental, social, personnel, respect for human rights, combating corruption), including the management approach to the same.

In the process of formalising its strategic guidelines focusing on the development of its business model, both nationally and internationally, the Group constantly monitors the areas of sustainability considered material to its development and the commitments and activities carried out and planned with a view to meeting the needs and expectations of its own stakeholders and the development of the business context.

The strategic risk assessment model for the group (conducted by the Risk Officer, with the support of a leading consultancy company, as self-assessment with Group management - ERM model), with focus on exogenous and internal risk factors that can be correlated directly with its business model and guidelines defined by the Board of Directors, includes the ESG risk areas in keeping with their materiality, expressed in the Group Material Topics List. This assessment involves identification of material risk/opportunity factors for each of the ESG areas. Each risk profile is assessed by taking into account: the general background context (also for benchmarking against leading operators in the TMT sector); the monitoring of the Group's main initiatives and projects in these areas; and the main feedback from key stakeholders. The assessment carried out as part of the annual ERM update process highlighted the overall adequacy of the safeguards the Group has employed, given the predominance of active and positive approaches to ESG issues, in keeping with its own values, which are a reference as well as being instrumental in pursuing its business objectives.

Of particular note are the consolidation of and attention towards **development initiatives in the Human Resources** area (training, equal opportunities, welfare, health and safety), the monitoring of the overall **broadcast offering**, also in relation to greater sensitivity of end users and advertising investors to ESG issues and the consolidation of projects and initiatives to optimise consumption and reduce direct emissions.

The current safeguards do not highlight critical situations but the emergence of opportunities (launch of assessments of initiatives to optimise consumption and reduce emissions).

For future reporting, the Group will assess supplementing its analysis – and thus its disclosure – of the climate change impact generated and undergone by the Group. This also relates to the development of regulation in this area, in particular the guidelines from the European Commission (Communication 2019/C 209/01 "Guidelines on non-financial reporting: Supplement on reporting climate-related information") and the recent adoption by the European Commission of the Media and Audiovisual Action Plan (MAAP), which aims to support the recovery and transformation of these industries, which have been particularly affected by the pandemic crisis and are essential for democracy, cultural diversity and European digital autonomy. This action plan focuses on three main areas of activity (recovery, transformation, more tools and capacity) including the creation of a climate-neutral audiovisual industry. The European commercial television association, of which Mediaset is a founding member (ACT), is preparing a position paper to the EU institutions in connection with this plan.

For further information on the initiatives of the Group, the main risks generated or undergone and the management approaches for these, please refer to the paragraph "The internal control and risk management system" and the corresponding sections in this document.

In particular regard to respect for human rights, and given the regulatory environment in which the Group operates, this topic is addressed as part of the management of relations with employees and suppliers, in observance of the principles and values embodied in the Code of Ethics of the Group. In view of the specific nature of the business sector in which the Group operates, note that the Group does not consume significant amounts of water or emit atmospheric pollutants other than greenhouse gases.

In accordance with the regulatory requirements set out in the Delegated Act relating to Article 8 of EU Regulation 2020/852, the MFE Group is required to include information on how and to what extent its activities are associated with environmentally sustainable economic activities according to the EU Taxonomy. For more information on how the Group has prepared this disclosure, please refer to the "*EU Taxonomy*" paragraph.

The contents of the present document are arranged by material issues for the Group and its stakeholders, as identified by the materiality analysis and based on the results of the stakeholder engagement activities conducted and validated by the Board of Directors of MFE in January 2022, as set out in more detail in the following *Mapping of Stakeholders and Materiality Analysis* paragraph. The contents of the present document are arranged by **material topics for the Group and its stakeholders**, as identified by the materiality analysis and based on the results of the stakeholder engagement activities conducted and validated by the Board of Directors of MFE on 14 February 2022, as set out in more detail in the following *Mapping of Stakeholders and Materiality Analysis* paragraph. In particular, the process whereby the contents were defined is based on the principles of relevance, inclusiveness of stakeholders, completeness and operating context for the Group. The principles of balance, accuracy, reliability, comparability, clarity and timeliness have been observed in regard to the quality of the information reported. For more information on the Group's material topics and impacts in relation to them, please refer to the MFE Group's 2023 Sustainability Report, available on the Group's website in the "Sustainability" section, which was approved by the Board of Directors of MFE-MEDIAFOREUROPE N.V. on April 17, 2024.

The boundary of economic, financial, social and environmental data and information includes the companies fully consolidated in the Consolidated Financial Statements[1]. This scope does not differ significantly from that of the previous year. To enable the comparability over time of the data, it is presented alongside the corresponding figures for 2022.

Also included is information on Group actions undertaken in previous years and which continue to be applied in the policies currently pursued by the Group.

To guarantee the reliability of data, estimates have been eliminated wherever possible. Where used, they are identified appropriately and based on the best methods available.

[1] For a list of the companies included under the full consolidation method, see "*List of equity investments included in the Group's consolidated financial statements at 31 December 2023*".

The Values of the MFE Group

The founding principles of the MFE Group are embodied in its **Code of Ethics**, which defines the values cherished by the group at every level and in every area it pursues its business interests.

This Code of Ethics will be presented in its entirety in the CODE OF ETHICS chapter.

In the pursuit of its business activities, the Group therefore undertakes to respect the applicable laws and regulations in all countries where it operates, in conformity with the principles of loyalty, propriety, responsibility, freedom, individual dignity and respect for diversity in all its forms, rejecting all forms of discrimination based on sex, race, language, religion, political convictions or personal or social conditions.

As a major presence in the social and economic context in Italy and in other countries, the MFE Group predicates its growth on a **solid reputation for transparency and rigour in the pursuit of its business activities**.

In this respect the Group recognises the **central role of human resources** and is committed to promoting a working environment based on respect for people and the values of loyalty, trust, transparency and integration, stressing priorities such as developing skills and professional capacities, equal opportunities, protecting the mental and physical well-being of workers (also in terms of health and safety), confidentiality and protection of personal data.

In regard to the various categories of stakeholders, the MFE Group has always made every effort to **combat corruption** by acting transparently in its dealings with clients, suppliers and institutions, always and without exception respecting the principle of free competition.

The Group has always valued the **wealth to be found in diversity**, **research and innovation**, caring for the **young** and for the **environment**, enabling each individual to find fulfilment in his work, the basic principles which underpin its activities, and the people who have made it successful.

The MFE Group, its business context, and sustainability

In carrying out its media company activity, the Group relates both in Italy and in Spain with a multiplicity of **stakeholders**, guaranteeing the satisfaction and protection of their interests and at the same time aiming to generate a positive social impact on the territory.

The Group pays the utmost attention to **compliance with laws and regulations** in force in the legal systems of all the countries in which it operates and undertakes to act in compliance with the principles of loyalty, fairness, responsibility, freedom of the human person and respect for diversity and repudiates all types of discrimination.

The Group is also monitoring the regulatory evolution underlying future reporting obligations in the field of non-financial reporting with particular reference to compliance with the EU Directive 2022/2464 on **Corporate Sustainability Reporting Directive (CSRD)** adopted by the European Parliament on 10 November 2022 and published in the Official Journal on 16 December 2022, which will replace the regulatory provision of the NFRD (Directive 2014/95/EU) that governs the current non-financial information section of this report. The objective of the CSRD is to further increase transparency in environmental, social and governance reporting in order to further promote investments in support of the economic transition in line with the European Green Deal. The CSRD Directive will be applicable to MFE from the MFE Consolidated Annual Report for the financial year 2024 (to be published in 2025) and will require from that date the issuance of a certification with limited assurance. The CSRD generally provides for a review of the reporting model and an expansion of the reporting and reporting obligations to be prepared in accordance with the **European Sustainability Reporting Standards (ESRS)** prepared by the European Financial Reporting Advisory Group (EFRAG) and adopted by the European Commission by Delegated Act of 31 July 2023. The adoption of these standards will also involve the introduction as part of the process aimed at carrying out the materiality analysis of the principle of double materiality, taking into account both the impact of company activities on the environment and the financial impact of ESG issues on the company. In this regard, the Group defined an action plan during 2023 to ensure compliance with the new legislation. A gap analysis was carried out aimed at identifying the detailed information that the Group will have to integrate with reference to the 2024 financial year in order to correctly respond to the new ESRs standards. Starting from the current sustainability reporting framework linked to GRI standards and its relevant performance indicators currently disclosed, the Group has classified the identified information gaps according to the criticality of the processes that will lead to the creation and management of the new metrics, initiating (in collaboration with the most impacted business areas) specific worksites for the most critical processes related to the calculation of scope 3, the extension of the information to the entire value chain and double materiality. For the latter, the Group started a first double materiality exercise, taking into account the guidelines issued by the EFRAG "*Draft EFRAG IG 2 – Materiality Assessment*" and "*Draft EFRAG IG 2 – Value Chain*", and applying the metrics and methodologies already in use in its ERM model. The analysis conducted did not provide any evidence of new topics to those already currently reported. However, during 2024 stakeholder engagement activities, a further in-depth analysis of financial materiality topics is planned to support the results obtained so far. Finally, the results and the action plans linked to this transition process have been shared with the Audit Committee and the Board of Directors of MFE.

Among the main indicators to be reported starting from the Sustainability Report 2024 is the **Scope 3** measurement, required by **ESRS E1**, concerning **greenhouse gas emissions** generated by the company's activities along the value chain, both upstream from its suppliers and downstream through the distribution of its services to end customers. The Group, also with the support of external specialised providers, is preparing the necessary identification of the activities to be included in the scope of reporting and defining the relevant measurement and estimation models, in order to pursue our commitment to a more sustainable and resilient future.

The Group also takes **ESG factors** into account as an element and reference criterion for its decision-making and investment assessment processes relating to the operational areas directed towards launching targeted initiatives and projects with a view to greater environmental efficiency (reduction in consumption, diversification of energy sources) and the definition of its own self-produced content and its communication campaigns in line with its broadcasting and social responsibility profile.

Given MFE's sector, the **human factor** is of central strategic importance, resulting in a constant and growing commitment to looking after, training and developing its employees and seeking out new talents to encourage processes of innovation and growth in skills, as well as particular attention to protecting intellectual property and minors and developing initiatives directed towards the formation and promotion of culture and in general the social responsibility that comes with a role as leading national television broadcaster.

At present, the impact generated and experienced by the Group in the area of **Climate Change** does not represent a materially critical aspect for the Group, either directly or indirectly in both relative and absolute terms. The Group has in any case always been committed to ongoing and precise compliance with and monitoring of the development of regulation in this area, in particular the guidelines from the European Commission (Communication 2019/C 209/01 "Guidelines on non-financial reporting: Supplement on reporting climate-related information") and the recent adoption by the European Commission of the Media and Audiovisual Action Plan (MAAP), which aims to support the recovery and transformation of these industries, which have been particularly affected by the pandemic crisis and are essential for democracy, cultural diversity and European digital autonomy. This action plan focuses on three main areas of activity (recovery, transformation, more tools and capacity) including the creation of a climate-neutral audiovisual industry. The European commercial television association (ACT), of which the Group is a founding member, is preparing a position paper to the EU institutions in connection with this plan.

In order to manage all of these factors in an increasingly proactive, planned and shared manner, MFE has voluntarily provided for an **ESG Committee** within its governance model, made up of independent directors with the aim of dialogue, stimulating management and monitoring the Group's activities in these areas.

On 29 March 2022, the MFE Board of Directors, following a process of mapping and analysis of the Group's activities and positioning in the various ESG spheres shared with the Sustainability Committee, identified the following guidelines and macro-objectives to be pursued in Italy for the various ESG spheres, launching appropriate initiatives and projects:

- In the **Environmental** area, the Group, which given its characteristic activities does not in any case have a significant impact in terms of direct emissions, has always been inspired by the principles of responsibility for protecting the planet, through sustainable natural resource management, aims **to progressively reduce CO_2 emissions until Carbon Neutrality is achieved by 2030**. To this end, the Group is considering the adoption of reduction targets that are transparent and scientifically robust in order to contribute to the goals set by the Paris Agreement on Climate Change (COP 21, limit global warming to 1.5°C).
- In the **Social** area, the Group has always recognised the central importance of people and sought to promote their experience, professionalism and diversity, already achieving excellent standards of gender equality both in terms of number and pay gap (with potential areas for improvement at management level) and excellent levels in welfare policy management. On this basis, the goals indicated are therefore:

  • **Maintain the current levels of distribution and pay equity for each category,** through recruitment and professional development policies that encourage the growth of the less represented gender into managerial roles.

  • **Maintain the standards of excellence achieved by the Group in the field of welfare and training**, both in terms of the level of investment and the variety and innovation of the service offer.

- Furthermore, with reference to its broadcast offering, MFE intends to continue playing a central role in the dissemination of the culture of sustainability in the country with the aim of **increasing public awareness around ESG issues through content distributed on all available platforms** in keeping with its value system and responsibility as a pluralist broadcaster.
- In the **Governance** field, the decision was taken to adopt a system to guide and control ESG initiatives and mechanisms to guide managerial action with the aim of **progressively adopting sustainability criteria and principles in managerial practices and choices throughout the organisation**, through specific training initiatives and the introduction of ESG objectives among the parameters of incentive systems.

In line with the ESG goals defined by the Board of Directors, the following main initiatives were implemented in Italy in 2022:

In the area of the **Environment**, as of 2022, the Group purchases electricity to power its offices, production centres and its own radio network which is exclusively green, or with guarantees of origin from 100% renewable sources. This green energy also makes it possible to power the electrified cars in the company fleet, making the mobility of company cars completely sustainable (zero-emissions supply chain) when travelling. To this end, charging infrastructure for electric cars in the company fleet was established at the Cologno Monzese management centre. Gradual conversion of this fleet to electrified models (full-electric or plug-in) has begun. The electrification of the commercial fleet will follow the development of the offering in terms of available models and range (in view of the mobility needs of this type of user). Finally, projects have been launched at the management centre in Cologno Monzese to revise workspaces according to environmentally sustainable design choices.

In the **social** area, training courses, innovative well-being services and various internal communication initiatives were put forward with the goal of disseminating and promoting a sustainable culture further and a pre-assessment process was launched to assess the company's position with respect to gender equality issues, in order to identify the main opportunities for improvement and assess whether to undertake a potential certification process under the new legislation.

With reference to its **broadcast offering**, in addition to the continuous drive in the "Mediaset ha a cuore il futuro" (Mediaset cares about the future) campaigns that aim to promote and raise public awareness around social and sustainability-related issues, the Group has designed and structured mapping processes to identify ESG-themed programmes in the TV, Digital and Radio offering and establish indicators related to product and use volumes, adopting a process of tracking and managing metadata related to television content.

In the **Governance** area, ESG goals have been introduced among the parameters of the Managers' short-term incentive systems. For a more detailed analysis, please refer to the Compensation Report included in the 2023 Consolidated Financial Statements.

Mapping of stakeholders and materiality analysis

In keeping with the reporting principles drawn up by the Global Reporting Initiative (GRI), the first Sustainability Report was drawn up, involving the principal company departments, using a structured analysis designed to identify the key **stakeholders** for the organisation and the most material **topics** for the preparation of the Report.

For the purposes of sustainability reporting, topics deemed material, or significant, are those of an economic, social and environmental nature on which a business produces a potential or real positive or negative impact and which may substantially affect the assessments and decisions of stakeholders. The **materiality analysis** therefore takes into consideration not only the perspective of the organisation but also that of the stakeholders themselves. These analyses are periodically reviewed and updated.

For the purposes of preparing this NFD, on 14 February 2024 the Board of Directors confirmed the materiality of the topics in the Materiality List, presented in 2023, after consulting the Audit Committee which met on 8 February 2024.

In relation to the CSRD Directive and ESRS reporting standards coming into force, the Group will progressively incorporate the assessment models inspired by the principle of double materiality into the performance of Materiality analysis starting from the annual reporting for the year 2024.

To make up the Materiality List, the significance of these issues assigned by the various categories of stakeholder resulted from the **stakeholder engagement activities** carried out in 2022.

Specifically, to create the materiality list, the company management identified and subsequently involved the following stakeholder cluster:

- Investors, shareholders and the financial community;

- Users and customers;
- Employees;
- Suppliers and subcontractors;
- School, Universities and research centres;
- Collaborating artists, business partners, content suppliers.

The topics shown in the following table are already sorted by relevance in terms of current and potential impact, positive and negative, assigned in the course of the activities described above. Only impact materiality issues required by the GRI standards currently used to prepare non-financial reporting are included in this list. As previously indicated, from 2024, due to the entry into force of the CSRD, the following list will be supplemented by considering the impact materiality and financial materiality issues required by the ESRS standards.

MACRO TOPIC	MATERIAL TOPIC	IMPACT	NATURE OF IMPACT
Responsibility to employees	Management and development of human resources	Improvement of workers' skills through training activities	Positive
		Employee health promotion	Positive
		Injuries or illnesses in the workplace	Negative
		High personnel turnover and loss of key knowledge with indirect impacts on stakeholders	Negative
		Increase in employee well-being thanks to implementation of benefits, work-life balance and career development plans	Positive
		Improvement in working practices through a welfare system suited to the needs of employees and their families	Positive
		Unattractive work for new generations with a direct and indirect negative impact on business continuity	Negative
		Competitive remuneration policies that equitably redistribute the value generated by workers while also indirectly increasing the attractiveness to talent	Positive
Responsibility to employees	Diversity and inclusion	Discrimination in remuneration between men and women	Negative
		Incidents of discrimination/abuse within the company	Negative

MACRO TOPIC	MATERIAL TOPIC	IMPACT	NATURE OF IMPACT
		Lack of diversity in governance bodies and among employees with direct and indirect impacts on the consolidation of equality	Negative
Economic responsibility	**Economic performance**	Economic value generation through profitability and financial protection and short-, medium- and long-term value creation achieved through efficient management of tangible and intangible assets (e.g. patents, production technologies, specific know-how) and related distribution to interested parties (e.g. employees, suppliers)	Positive
Corporate Governance and Compliance	**Corporate Governance**	Dissemination and participation in company values, resulting in motivation, engagement and accountability of personnel	Positive
		Absence of management practices for the nomination system, roles and responsibilities	Negative
Corporate Governance and Compliance	**Privacy and protection of personal data**	Security breaches affecting privacy, cybersecurity and data within the organisation	Negative
Corporate Governance and Compliance	**Compliance with regulatory requirements**	Non-compliance with laws, regulations and internal and external standards with negative social and environmental externalities also generated along the supply chain	Negative
		Anti-competitive and anti-trust behaviour and monopoly practice	Negative
		Incidents and episodes of corruption[2]	Negative

[2] No confirmed incidents of corruption were recorded during 2023 (for further details, please refer to GRI Content Index 205-3 within the Group's 2023 Sustainability Report).

MACRO TOPIC	MATERIAL TOPIC	IMPACT	NATURE OF IMPACT
Responsibility towards suppliers	**Responsible supplier management**	Support for the local area through spending on local suppliers	Positive
		Environmental and social (including human rights) impacts of own supply chain	Negative
Product responsibility	**Quality, integrity and continuity of service**	Actions to contribute and guarantee quality, safe and reliable content thanks also to the improvement of radio and TV reception and the consolidation of digital distribution	Positive
		Non-compliance in the circulation of independent, pluralistic, impartial and accurate news	Negative
Product responsibility	**Innovation & Digitalisation**	Implementation of digitalisation, and dematerialisation of content thanks, for example, to the study of new technologies and trends in the field of multi-platform audiovisual production, new multimedia services and transmission over fixed and mobile networks	Positive
		Support to companies and start-ups and development and innovation programmes	Positive
Environmental responsibility	**Environmental impact management**	Use of non-renewable and renewable energy sources	Negative
		Inefficient use of raw materials and water by disincentivising the use of materials from reuse and recycling processes	Negative
		Contribution to climate change through direct/indirect greenhouse gas emissions	Negative
Product responsibility	**Protection of intellectual property**	Theft and unlawful circulation of intellectual property with damage to artistic resources	Negative

MACRO TOPIC	MATERIAL TOPIC	IMPACT	NATURE OF IMPACT
Environmental responsibility	**Electromagnetic emissions**	Presence of non-ionising electromagnetic emissions exceeding the required compliance and attention threshold	Negative
Social responsibility: community	**Respect for human rights**	Cases of human rights violations within the organisation	Negative
		Cases of human rights violations along own value chain	Negative
Product responsibility	**Audience satisfaction**	Presence of channels for dialogue that can be used by customers to engage the audience in content creation	Positive
Social responsibility: community	**Social engagement (local communities)**	Developing fair, transparent and constructive relationships with stakeholders, with direct effects on continuous improvements in ESG performance	Positive
		Support for local development through grants and donations	Positive
		Investments made locally in infrastructure and services, as well as in social and cultural events and initiatives	Positive
		Employment of workers from the local community	Positive
Product responsibility	**Responsible advertising and marketing**	Selection of advertising and marketing in line with the values of the organisation and with a view to social responsibility	Positive

MACRO TOPIC	MATERIAL TOPIC	IMPACT	NATURE OF IMPACT
Product responsibility	**Commercial and strategic partnerships**	Absence of commercial and strategic partnerships in the media, research institutions, universities, and other companies in the sector that could have a positive impact on consumers, suppliers, and society	Negative
Product responsibility	**Accessibility of the product**	Disseminating content while protecting the most vulnerable audiences	Positive
		Greater accessibility of the service offered in terms of social inclusion, through subtitled programmes, audio description, web browsing and the development of specific products and content for disadvantaged audiences	Positive
Social responsibility: community	**Relations with the Public Administration**	Responsible management of relations with institutions and PA, with a view to collaboration and mutual support	Positive
Responsibility to employees	**Industrial relations**	Conflicts with trade unions and failure to respect the right to freedom of association within the organisation or along its value chain	Negative

This list of material topics represents the weighted combination of the degree of relevance/critical nature of the topics for the Group and its Stakeholders.

The strategies, policies and instruments associated with individual material topics are reported in depth in the present document.

ETHICS AND INTEGRITY IN BUSINESS

Code of Ethics

As previously indicated, the Code of Ethics defines the values which the MFE Group cherishes, accepts and shares at every level in the pursuit of its business activities.

With reference to the Mediaset S.p.A. company and its subsidiaries under Italian law, the current version of the **Code of Ethics** was approved during 2019. In September 2021 MFE-Mediaforeurope N.V., the holding company under Dutch law, then went on to adopt a ***Code of Ethics***. The companies under Spanish law belonging to the MFE Group have implemented their own ***Còdigo Etico***, based on the parent Company's, the latest version of which was approved on 24 July 2019.

The principles and provisions of the Code of Ethics are binding on directors, internal auditors, employees and all persons working for/with the Group in any capacity, regardless of the nature of their employment relationship, even temporary, with the company (e.g. employees, suppliers, clients etc.).

Respect for the principles and values enshrined in the Code of Ethics is of fundamental importance for the correct operation, reliable management and image of the MFE Group[3].

All activities of the Group are therefore pursued in a spirit of fair competition, in full respect for the laws and regulations of the jurisdictions of all countries in which the individual companies operate, and for the ethical principles commonly applied in the pursuit of business, such as honesty, fairness, propriety, transparency and good faith.

The MFE Group propagates the principles and values enshrined in its Code of Ethics via targeted **information campaigns**, especially with regard to its corporate bodies, staff and employees, encouraging them to apply and strictly observe these principles and values.

The Code of Ethics is provided to all employees of the Group through dedicated communication published on the **company intranet** together with their salary statements, and to new recruits at the moment of recruitment.

The Code of Ethics is also published and appropriately highlighted in the **"*Compliance*" section** of the MFE Group's website (www.mfemediaforeurope.com/it/governance/compliance/)[4], in English and Italian.

The MFE Group also implements **training activities** addressing its Code of Ethics, and with particular reference to the companies under Italian law, as required under the administrative liability provisions (Legislative Decree 231/01) relating to the Compliance Programmes pursuant to Legislative Decree 231/01 implemented by Italian Group companies[5]. According to circumstances and requirements, training plans are administered in classroom courses or via special e-learning modules.

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[3] Including foreign investee companies.

[4] With reference to companies governed by Italian law, the Code of Ethics is also published on the company intranet, in the "Compliance 231" section.

[5] The companies under Italian law which have currently implemented their own Compliance Programmes under Legislative Decree 231/01 are: Mediaset S.p.A., R.T.I. S.p.A., Publitalia '80 S.p.A., Digitalia '08 S.r.l., Mediamond S.p.A., Medusa Film S.p.A., Taodue S.r.l., Elettronica Industriale S.p.A., Radio Mediaset S.p.A., Radio Studio 105 S.p.A., Virgin Radio Italy S.p.A., Monradio S.r.l., RMC Italia S.p.A., Radio Subasio S.r.l., Beintoo S.p.A.

Following its adoption and subsequent amendments[6], the Code of Ethics was distributed to its different recipients including both employees and signatories to employment and supply contracts and, more generally, all parties conducting business relations with Group companies. Contracts with third parties contain specific clauses with an explicit formal reference to the Code of Ethics (as well as the Compliance Programmes pursuant to Legislative Decree 231/01 in the case of Italian companies), stating that failure to observe its provisions constitutes a breach of contractual obligations, giving rise to the right to terminate existing legal relationships without prejudice to any compensation for damages.

Report (whistleblowing) management system

The MFE Group undertakes to promote a corporate culture based on ethical behaviour, respecting the principles of fairness, propriety, responsibility and legality and consequently rejects and deplores the use of illegitimate or incorrect behaviour to achieve its economic objectives.

To ensure the maintenance, observance and compliance with these principles and values as well as to increasingly encourage the dissemination of a culture of legality within the organisation, organisational and control tools are adopted to prevent violation of legal provisions, of the principles and values expressed in the Code of Ethics, in the compliance programmes and in the company procedures in force in each instance, through constant supervision of their observance and implementation.

From this perspective, the MFE Group – also in the belief that promoting this culture and maintaining these values cannot be separated from the active and responsible participation of all stakeholders who can contribute to help prevent the commission of offenses and irregularities within the organisation – has implemented the law in force in the countries in which it operates, both at EU level (EU Directive 2019/1937) and at national level (Legislative Decree 10 March 2023, no. 24, Dutch Whistleblower Protection Act, *Ley 20 febrero* 2023, no. 2) and adapted its own **report (*whistleblowing*) management system** which allows anyone interested to report – through specific internal channels – offenses and/or irregularities, even suspected ones, ensuring the absolute confidentiality of the identity of the whistleblowers and guaranteeing them maximum protection against retaliatory behaviour or any form of discrimination or penalisation ("**Whistleblowing System**").

For this purpose, specific company procedures have been adopted in addition to the "*MFE Group Whistleblowing General Principles*", namely:

- **MFE_PO-02** of 26 September 2023 ("*Whistleblowing Policy*") for the Group's holding company under Dutch law, MFE-MEDIAFOREUROPE N.V.;
- **LGO MD-HO 125** of 15 November 2023 ("*Whistleblowing Report Management*") for Mediaset S.p.A. and companies under Italian law;
- the "Procedimiento de Utilización Y Gestión Del Buzón Ético Corporativo" applicable to Grupo Audiovisual Mediaset España Comunicacion and its Spanish subsidiaries.

The management of the Whistleblowing System or the activities relating to the process of receiving, analysing, managing and processing reports have been entrusted by the Boards of Directors to specific bodies, as indicated below.

- for MFE-Mediaforeurope N.V., for Mediaset and its subsidiaries under Italian law, the ***Whistleblowing Committee*** has been identified, comprising 3 (three) members, two of whom are internal (Internal Auditing Director and the Director of Compliance, Labour Law and Extraordinary Transactions) and one external[7];
- for *Grupo Audiovisual Mediaset España Comunicación* and its Spanish subsidiaries, the **Unidad de Cumplimiento y Prevención de Delitos** was identified, which entrusted the management of the system to the Corporate Director General.

The **internal channels** specifically implemented for receiving reports are:

- IT platform (also through voice messaging);
- e-mail addresses;
- PEC certified email addresses;
- direct personal meeting with the bodies identified by the various companies, at the specific request of the reporting party, formulated using the above channels.

The details and information relating to the use of internal channels and, in general, to the company procedures for making reports can be found in the specific section of the MFE Group corporate website, available on the page https://www.mfemediaforeurope.com/en/governance/compliance/[8]

In line with Italy, the **MFE Group in Spain** has adopted its own Code of Ethics, both for the Holding Company and for the Subsidiaries.

The Code of Ethics was updated in 2023, incorporating the guiding principles regarding the production of entertainment content and reality shows. Likewise, all policies were updated in 2023 in order to realign to the new corporate situation of the Group, resulting from the merger and creation of MFE-Mediaforeurope.

Furthermore, the Code of Ethics establishes the criteria and rules of action to avoid situations that could generate conflicts of interest. In this sense, to avoid potential conflicts of interest in creating and/or disseminating content, all content creation assignments are reviewed, analysed and finally approved by the Group's Purchasing Committee.

The Code of Ethics and the Compliance Programme establish the fundamental principles and values that govern the Company and all employees, managers and members of the Board of Directors are subject to it, as well as all persons, natural or legal, who maintain any kind of relationship with MFE Spain in the performance of their professional or commercial activities.

In compliance with Law 2/2023, which regulates whistleblowing, in 2023 the policy for the use and management of the company's ethical mailbox was updated and a procedure was drawn up to manage psychological risk and bullying in the workplace.

[7] Currently the President of the Supervisory and Control Bodies of Mediaset S.p.A. and RTI S.p.A.

[8] For companies under Italian law, this content is also present on the company intranet.

Compliance with regulatory requirements

As a supplier of audiovisual services and a radio broadcaster, the MFE Group scrupulously observes Italian law in the pursuit of its business activities, including requirements of a regulatory and self-regulatory nature.

To prevent violations of applicable legislation, the Group scrupulously observes the requirements on air time and the **protection of minors** in the **advertising content** carried in its radio and television broadcasts. The following requirements apply in regard to these issues:

- **training of personnel** responsible for programming, production and broadcasting;
- **general oversight of programming activities**, using a delegation system conferring the necessary powers on those responsible for broadcast content;
- advisory and supervisory action by the Legal Affairs Department and Regulations and Corporate Compliance and the Directorate for Documentation and Institutional Analysis, both from a general perspective and addressing specific programmes or individual issues, with the purpose of identifying critical issues and taking any appropriate preventive action wherever possible.

The Directorate for Regulation and Institutional Requirements also periodically publishes a manual (**"linear and non-linear audiovisual media services manual")**. This summarises and interprets the complex legislative and regulatory framework governing the programming and broadcasting of content on various platforms (TV, radio, OTT, internet, etc.). The manual is designed for everyday use and is also valuable as a guide for programmers to identify critical issues.

Training meetings are organised cyclically on new regulations and on the correct methods of implementing the programmes, involving all company departments involved in the creation and dissemination of the programmes.

The MFE Group operates in an intensively regulated sector, and its relations with regulatory bodies and industry associations are of primary importance. The Group defends its legitimate interests before local and international administrative powers.

To do so, the Group is a member of various **industry associations** created to promote the shared interests of commercial TV stations on the national, EU and international levels.

Conflicts of interest

The Code of Ethics includes special provisions on conflicts of interest[9]. All recipients of the Code of Ethics must scrupulously observe the laws and regulations on conflicts of interest, especially with regard to the pursuit of their business activities and their own duties/functions. In pursuing the interests and general objectives of the Group, they must abstain from conduct and action incompatible with their obligations in connection with their relations with MFE Group companies.

Consequently, in the occurrence of situations or activities in which the recipients of the Code of Ethics may have interests (directly or via third parties) which are or could be in conflict with those of the MFE Group, these recipients must immediately inform their superiors or the designated bodies, with reference to companies governed by Italian law, the **Supervisory and Control bodies**, where these exist, and respect the decisions taken by the Group in this regard.

With regard to the management of transactions concluded between related parties, the Board of Directors highlights the voluntary establishment – as not required by the laws and regulations in force in the Netherlands – of the Related Parties Transactions Committee and the adoption on 28 September 2021 of the Policy on related-party transactions (subsequently amended on 21 December 2021) in compliance with applicable laws and regulations.

The MFE Group is therefore committed to taking all measures necessary for avoiding situations which may present conflicts of interest.[10]

The MFE Group also establishes the necessary measures to ensure observance of the regulations concerning equal access of political entities to television and radio in application of the principles of pluralism of information. In overly simple terms, this activity takes the form of sending internal company circulars to its broadcasting structures, including news directors, precisely indicating the requirement to observe regulations concerning equal access of political entities to television and to implement the measures issued by the Authority.

Law no. 215 of 20 July 2004 "**Requirements on the resolution of conflicts of interest**" requires that holders of government offices (President of the Council of Ministers, Ministers, Deputy Ministers, Undersecretaries of State and Extraordinary Commissioners of the Government) devote themselves in the performance of their duties to the public interest and refrain from implementing acts and participating in collegiate deliberations in situations characterised by conflict of interest.

According to the law, there is a conflict of interest when the holder of government office participates in the adoption of an act or omits a required act, finding themselves in situations incompatible with their public role, due to personal or professional interests contrary to the impartiality required in managing the interests concerned.

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[9] Both in the Code of Ethics adopted by Mediaset S.p.A. and its Italian subsidiaries during 2019 and in the "Code of Ethics" adopted by MFE in 2021, there is a specific provision on conflict of interest, according to which "*the Recipients, in the context of their dealings with the same (i.e. Group), are required to comply with the laws and regulations governing the conflict of interests*." In addition, they "*must pursue the objectives and general interests of the Group in the performance of their business activities and their own duties/functions*" and *"abstain from activities, conduct and action incompatible with their obligations in connection with their relations with the same"*.

According to the Code of Ethics, purely by way of example, the following situations may constitute conflicts of interest: (i) having economic or financial interests, including through family members, in Suppliers, Clients or competitors; (ii) using one's role within the Group or the information or data acquired in the performance of one's business activities and/or own duties or functions to one's own advantage or that of third parties contrary to the interests of the Group; (iii) performing business activities or any kind (including services or intellectual work) for Suppliers, Clients, competitors and/or for third parties contrary to the interests of the Group; (iv) initiating negotiations and/or entering into agreements – in the name of and/or on behalf of the Group – with family members or partners as counterparties, or with counterparties of which the Addressee is, in any capacity, owner or in which they are in any case an interested party. 3. Addressees must without delay, taking the circumstances into account, inform their superior or, if applicable to the specific case, the person to whom they are obliged to report situations in which they may, directly or due to third parties, have interests (even only potentially) in conflict with those of the Group.

[10] The Group undertakes to guarantee, in all possible circumstances, compliance with the Law of 20 July 2004 no. 215 "*Requirements on the resolution of conflicts of interest*", and with AGCOM ruling no. 417/04/CONS "*Regulations on the resolution of conflicts of interest*" (amended by ruling no. 392/05/CONS 682/11/CONS).

The same law provides that both the Italian Antitrust Authority and the Italian Communications Authority have the jurisdiction to resolve conflicts of interest, with supervisory, investigative and disciplinary functions.

In particular, with Resolution no. 417/04/CONS "Regulations for the resolution of conflicts of interest" (as amended by Resolutions no. 392/05/CONS 682/11/CONS) AGCOM verifies that companies operating in the integrated communications system (SIC) and that report to the holder of government offices, spouse or relatives up to the second degree, or subject to the control of the same subjects, do not engage in conduct that provides privileged support to the holder of government offices.

"Privileged support" means any form of advantage, direct or indirect, political, economic or image-related provided to the holder of government offices by the above-mentioned companies, both during election campaigns and outside these periods.

The **AGCM** carries out its supervision of conflicts of interest through Resolution No. 13779 of 16 November 2004 - "*Regulation on conflicts of interest*" (amended by Resolution No. 26042 of 18 May 2016).

Conflict of interest may exist in two distinct cases.

The first (conflict by reason of incompatibility) occurs whenever the holder of a government office, who is already in a situation of incompatibility, adopts or participates in the adoption of an act or omits an act that is required, in the exercise of their governmental function.

The second hypothesis (conflict by reason of impact on assets) concerns the adoption or participation in the adoption of collegial acts, through which the holder of a government office favours himself, his spouse or his relatives up to the second degree, harming the public interest at the same time.

With regard to **Inside Information**, it is finally noted that, on 18 September 2021, following the completed transfer of the Company to Amsterdam (Netherlands), the update of the related Procedure was approved[11]. This acknowledges, among other things, that the competent authority for the purposes of insider trading and delay in disclosing privileged information remains the Italian Market Supervisory Authority (CONSOB). The Inside Information Procedure governs the internal management and communication to the public of inside information concerning the parent company and its subsidiaries, as well as the operation of the "Register of persons with access to inside information". The Inside Information Management and Communication Procedure is an essential component of the MFE-MEDIAFOREUROPE N.V. internal control and risk management system and part of the rules and prescriptions adopted by MFE-MEDIAFOREUROPE N.V. for the purpose of preventing offences.

The above Procedure is binding for the directors, statutory auditors and employees of the parent Company and Subsidiaries as well as the external persons/entities who act in the name of and on behalf of the same – with the exception of the listed subsidiary **Grupo Audiovisual Mediaset España Comunicación S.A.**, obliged to keep their own Insider Register, to fulfil related requirements and to notify the reference market – and who, in any capacity, have access to information regarding MFE and its subsidiaries.

The Company has communicated the Inside Information Management and Communication Procedure to its personnel and that of its subsidiaries, including through publication on the company intranet and on its website and has also continued training on the process of managing significant inside information for the competent structures.

[11] Adopted pursuant to the Market Abuse Regulation (EU No. 596/2014), in order to comply with the legal and regulatory provisions, including European ones, in force regarding the abuse of inside information.

The Code of Ethics includes special provisions on conflicts of interest[12]. All recipients of the Code of Ethics must scrupulously observe the laws and regulations on conflicts of interest, especially with regard to the pursuit of their business activities and their own duties/functions. In pursuing the interests and general objectives of the Group, they must abstain from conduct and action incompatible with their obligations in connection with their relations with MFE Group companies.

Consequently, in the occurrence of situations or activities in which the recipients of the Code of Ethics may have interests (directly or via third parties) which are or could be in conflict with those of the MFE Group, these recipients must immediately inform their superiors or the designated bodies, with exclusive reference to companies governed by Italian law, the Supervisory and Control bodies, where these exist, and respect the decisions taken by the Group in this regard.

The MFE Group is therefore committed to taking all measures necessary for avoiding situations which may present conflicts of interest.

Furthermore, it should be noted that the **"Related Parties Procedure**", adopted on 21 December 2021, was updated on 22 November 2023; the relevant text can be found on the MFE Group corporate website, in the "Governance/Corporate regulations" section.

The MFE Group also establishes the necessary measures to ensure observance of the regulations concerning equal access of political entities to television and radio in application of the principles of pluralism of information. In overly simple terms, this activity takes the form of sending internal company circulars to its broadcasting structures, including news directors, precisely indicating the requirement to observe regulations concerning equal access of political entities to television and to implement the measures issued by the competent authorities.

Via its regulatory compliance department, the **MFE Group in Spain** works to detect and monitor potential conflicts of interest between the company and its directors. This matter is regulated by the Code of Ethics and by the Group's internal code of conduct, which both provide mechanisms for identifying and resolving potential conflicts of interest, thereby preventing conduct liable to damage the company or its shareholders.

In 2021, the "Related Parties" procedure was updated to adapt it to the changes introduced by the new Law on companies (5/2021, 12 April - "LSC") with particular reference to the approval and communication of transactions carried out with related parties; for certain types of significant transactions, the authorisation of the Shareholders' Meeting is required as well as publication on the Corporate website.

Generally, all transactions with "Related Parties" are always in the main interest of the Group, under market conditions and in accordance with the principle of transparency and non-discrimination towards third parties.

All other cases must in any case be authorised by the Board of Directors itself.

Finally, to avoid potential conflicts of interest in the creation and dissemination of content, all related commissions are subject to the review, analysis and approval of the Group's Acquisitions Committee or, if necessary, of the Board of Directors.

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[12] Specifically, there is a provision on conflict of interest, according to which "*the Recipients, in the context of their dealings with the same (i.e. Group), are required to comply with the laws and regulations governing the conflict of interests*." In addition, they "*must pursue the objectives and general interests of the Group in the performance of their business activities and their own duties/functions"* and *"abstain from activities, conduct and action incompatible with their obligations in connection with their relations with the same"*.

According to the Code of Ethics, purely by way of example, the following situations may constitute conflicts of interest: (i) having economic or financial interests, including through family members, in Suppliers, Clients or competitors; (ii) using one's role within the Group or the information or data acquired in the performance of one's business activities and/or own duties or functions to one's own advantage or that of third parties contrary to the interests of the Group; (iii) performing business activities or any kind (including services or intellectual work) for Suppliers, Clients, competitors and/or for third parties contrary to the interests of the Group; (iv) initiating negotiations and/or entering into agreements – in the name of and/or on behalf of the Group – with family members or partners as counterparties, or with counterparties of which the Addressee is, in any capacity, owner or in which they are in any case an interested party. 3. Addressees must without delay, taking the circumstances into account, inform their superior or, if applicable to the specific case, the person to whom they are obliged to report situations in which they may, directly or due to third parties, have interests (even only potentially) in conflict with those of the Group.

In 2022, the “Compliance” protocol was updated to include offences concerning public officials. A new section concerning the responsibilities of Senior Management in these cases was also added. This protocol has been approved by the Compliance Department.

As indicated previously, during 2023 the MFE Code of Ethics in Spain was updated for the purposes of managing the different cases of conflict of interest that may arise within the company’s operations.

Personal data protection and information security

Protection of personal data

The protection of privacy and the data and personal information pertaining to clients and subscribers is one of the main priorities of the MFE Group, including through appropriate security measures.

The **MFE Group in Italy** has always paid great attention to the protection of personal data and, with European Regulation 679/2016 (GDPR) coming into force, has reinforced its **Privacy Compliance Programme**.

The Group has prepared a “Privacy Compliance Programme – General Principles of Personal Data Protection” Organisational Guideline that regulates and describes the Privacy Compliance Programme adopted by the Group as well as the principles relating to personal data protection management, also in order to prevent and/or reduce the penalties envisaged by current legislation on the subject.

With the goal of pursuing the simultaneous promotion of the interests of all parties involved, the protection of personal data and the rights and freedoms of the data subjects, the Group has defined a specific series of **Company Policies**, **Operating Instructions**, **Organisational Guidelines**, and a **Processing Register** as the cornerstone and map of the rules and activities connected with processing. Together with the Intranet Privacy Portal and the constant personnel information and training activities, these are part of an extensive privacy management system able to ensure the security of personal data and corporate information.

The **Data Protection Officer**, the **Privacy Department** and the parties involved in various capacities based according to the Compliance Programme promote a culture founded on respect for privacy as a fundamental right of the individual, committing themselves to respect for people and the values of loyalty, trust, transparency and integration.

The Group has also issued a **Data Breach Organisational Guideline** in the event of breaches that accidentally or unlawfully result in destruction, loss, alteration, unauthorised disclosure or access to personal data. The Data Breach management plan was prepared in order to implement, where necessary, the action plan and any notification of the Supervisory Authority within 72 hours of identification of the breach as well as communication with the data subject should the rights and freedoms of the individual potentially be at risk.

The **MFE Group in Spain** is scrupulously implementing the protection of personal data and content in the sphere of corporate management. The primary instrument of implementation is the Code of Ethics, which addresses aspects relating to cybersecurity, data protection and confidentiality. Using the Code of Ethics as their guide, the Data Protection Unit, the Internal Auditing Department and the technology division will develop other mechanisms determining the company's conduct in regard to data security.

The Group also implements a corporate security policy which imposes procedures and regulations for the processing of personal data and confidentiality within the organisation. These procedures regulate access to and the processing of personal data in all departments, areas and management units of companies belonging to the

Group, while also defining the security measures to be applied during the compilation of personal data to ensure the confidentiality of the latter.

It also implemented a series of operating procedures for managing initiatives requiring the use of personal data: identification and authentication, remote access, access to applications and use of personal data files. These procedures are regularly updated to ensure their compliance with applicable legislation.

In 2016, the MFE Group underwent conformity analysis in light of the General Data Protection Regulation on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, which came into effect on 25 May 2018.

This analysis revealed the need for more work to bring the management model up to standard and for the introduction of specific measures of a technical, organisational and legal nature which were implemented in the following years.

With regard to relations between company and citizens in terms of data protection, the MFE Group in Spain has defined and implemented an action protocol for guaranteeing the exercise of the rights of access, rectification, cancellation and objection.

This protocol describes in detail the areas affected by such rights, the channels through which Group users can exercise them, the procedure for replying to requests, special cases for the exercise of rights, and notification of users of the successful outcome of their requests.

Information security

The MFE Group in Italy has also prepared an **Organisational Guideline on Information Security Policy**, and the protection of data in particular. These activities observe the following principles:

- compliance with **national and international legal requirements**, with particular reference to Legislative Decree 231/2001, L.262/2005 on the protection of savings and financial markets regulations, and the European Regulation (EU) 2016/679 on the processing of personal data.
- safeguards on **adequate measures of protection of data against threats**, including cybersecurity; these measures are identified in accordance with the level of risk associated with the loss of confidentiality, integrity and availability of information. This protection must also be guaranteed in regard to relations with third parties.
- **protection of data against unauthorised access**, while ensuring accessibility for legitimate purposes, with a suitable degree of traceability.

In particular, in 2023 the **strategy for Cyber Security** envisaged the implementation and completion of specific initiatives in 4 areas of activity.

- **Cyber Defence**

  With the aim of protecting services and users, the following activities have been promoted:

  • Strengthening and extending Cyber Threat Intelligence services in order to anticipate threats and prevent IT risks

  • Consolidation of the Security Operation Centre (SOC) infrastructure through the use of new tools, technologies and resources

• Reinforcement of control measures on the external attack surface

• Improved process and technologies for managing security vulnerabilities

- **Training and awareness**

  To complement the technological protection initiatives, the following activities to raise employee awareness of cyber threats were completed:

  • Preparation and launch of a new digital self-defence campaign to protect against phishing risks, through the production of video content presented on the Intranet and company spaces (e.g. video wall), gamification activities, flyers and newsletters.

  • Redesign of the Cyber Security portal, accessible and available to all personnel

  • Provision of training courses to IT specialists in IT security and privacy

  • Execution of simulated phishing campaigns, also targeted for specific company areas

- **Risk Assessment**

  • In order to identify and mitigate the level of cyber risk associated with assets, services and third parties, the following activities were completed:

  • Expansion of the scope of supplier safety measures and standards verification, also through the use of new tools and assessments carried out by independent third parties

  • Extension of IT operational continuity assessment activity for the main critical platforms

  • Execution of vulnerability tests on IT services exposed on the Internet and, based on the recommendations of security by design, on all new services exposed publicly

- **Governance and compliance**

  To guide safe behaviour within the organisation and ensure regulatory compliance, the following activities were completed:

  • Publication of the updated Organisational Guideline relating to the use of IT tools assigned to employees and collaborators

  • Reorganisation of the management process for assessments of the privacy compliance of systems and applications

The Technology Division of the MFE Group in Spain is in charge of coordinating and managing the technical aspects of information system security, following the corporate security policy and the internal action procedures, which apply to all employees and managers.

As part of this policy, and as a method for guaranteeing control over access to corporate applications and services, a set of guidelines addressing specific topics such as the "Procedure for controlling access to applications" and

"Procedure for managing media" has been prepared. The latter procedure defines the cases in which corporate data must be encrypted.

A procedure has also been developed for establishing mechanisms for managing and sending sensitive corporate data. A project for implementing an instrument for the management of access and information rights was developed in 2018 as a technological support for the procedure. This solution involves the application of security rules and policies and the monitoring of the distribution of corporate data.

During 2021 and 2022, the main procedures relating to information technology were reviewed and updated, with particular regard to:

- Application Access Control Procedure;
- Company Services and Reports;
- Internet Domain Management Procedure;
- Application Management Procedure;
- Security Incident Management Procedure;
- Company Emergency Plan.

The MFE Group in Spain constantly monitors its mission-critical information systems via periodic reviews and audits. Monitoring of the systems considered to be most vulnerable also covers the activities of users.

The purpose of information system security management is to ensure the availability, integrity and confidentiality of corporate data, to control access to it, and to ensure the data is adequately protected in conformity with all laws, standards and regulations on data protection.

The MFE Group in Spain has centralised data protection management in the *Data Protection Unit*, which reports directly to the Group's Senior Management and is responsible for data protection for all Group Companies. At the head of this unit is the Data Protection Officer, responsible for the relationship with the Data Protection Agency, as well as the areas of legal advice, internal control and IT security.

In 2019, the Personal Data Policy and the relevant internal procedures were updated in order to adapt them to the requirements introduced by the GDPR. In addition, two new protocols have been implemented to ensure compliance around the protection and guarantee of digital rights.

These reference documents establish the guidelines for optimal, responsible management of privacy and data protection as well as the corrective actions to be taken in the event of violations relating to correct personal data processing by the MFE Group.

During 2023, there were 470 requests to exercise ARCO rights (access, rectification, cancellation and opposition) received and managed by the interested parties, relating to the cancellation of users registered on the Group's digital channels and the deletion of images published on the websites.

During 2023 there were no reports of data loss.

In 2023, in addition to the new Cookie Guide, the local data protection authority (AEPD) published the 10 Principles for age verification and protecting minors from inappropriate content. These 10 Principles aim to protect minors on the Internet also before they access adult content. In this sense, Mediaset España is evaluating the possible implementation of these preventive measures on its portals where content suitable only for an adult audience is disseminated.

PEOPLE IN THE MFE GROUP

Groups employees are mainly concentrated in Italy, where approximately 67% of the workforce operates, and Spain (33%). A lower share of approx. 1% is employed in offices located in France, United Kingdom and Germany, hereinafter grouped under the "Other Countries" category.

ITALY	2023 Men	2023 Women	2023 Total	2022 Men	2022 Women	2022 Total
Permanent contract	1,643	1,571	3,214	1,636	1,554	3,190
Temporary contract	49	46	95	64	30	94
Apprenticeship	2	5	7	4	5	9
Total	**1,694**	**1,622**	**3,316**	**1,704**	**1,589**	**3,293**

SPAIN	2023 Men	2023 Women	2023 Total	2022 Men	2022 Women	2022 Total
Permanent contract	820	786	1,606	781	730	1,511
Temporary contract	7	12	19	12	14	26
Apprenticeship	-	-	-	-	-	-
Total	**827**	**798**	**1,625**	**793**	**744**	**1,537**

OTHER COUNTRIES	2023 Men	2023 Women	2023 Total	2022 Men	2022 Women	2022 Total
Permanent contract	18	12	30	17	11	28
Temporary contract	-	-	-	-	-	-
Apprenticeship	-	-	-	-	-	-
Total	**18**	**12**	**30**	**17**	**11**	**28**

As at 31 December 2023, and in line with the previous year, 98% of employees had open-ended contracts: the high percentage in all Group offices is due to the Group's ability to retain and guarantee a high level of employment stability, to meet the needs of the different business activities.

MFE GROUP	2023 Men	2023 Women	2023 Total	2022 Men	2022 Women	2022 Total
Executives	231	109	340	234	103	337
Journalists	305	321	626	295	299	594
Middle managers	390	411	801	388	411	799
Office workers	1,602	1,588	3,190	1,574	1,528	3,102
Industry workers	11	3	14	23	3	26
Total	**2,539**	**2,432**	**4,971**	**2,514**	**2,344**	**4,858**

As at 31 December 2023, the MFE Group comprised **4,971 people**, an increase compared to 2022. The main organisational roles are held by employees: in fact, recourse is made to external contract workers[13] only for the performance of specific activities of a professional or artistic nature or to meet temporary needs. As at 31 December 2023, there were 159 external collaborators in Italy, including 59 interns, and approximately 207[14] in Spain.

Diversity and equal opportunity

MFE GROUP	2023 <30	2023 30-50	2023 >50	2023 Total	2022 <30	2022 30-50	2022 >50	2022 Total
Executives	-	110	230	340	-	112	225	337
Journalists	76	306	244	626	52	310	232	594
Middle managers	2	297	502	801	1	318	480	799
Office workers	302	1,282	1,606	3,190	217	1,294	1,591	3,102
Industry workers	1	8	5	14	1	16	9	26
Total	**381**	**2,003**	**2,587**	**4,971**	**271**	**2,050**	**2,537**	**4,858**

[13] The Group makes use of external collaborators such as: contract workers with VAT number, temporary staff with fixed-term and open-ended contracts, interns. Most of these collaborators are employed in TV content production.

[14] The figure for external workers in Spain is expressed as cumulative data for 2023.

Number of employees belonging to the protected categories by professional category and gender as at 31 December

MFE GROUP	2023 Men	2023 Women	2023 Total	2022 Men	2022 Women	2022 Total
Executives	1	2	3	1	-	1
Journalists	1	2	3	1	2	3
Middle managers	2	12	14	2	9	11
Office workers	80	102	182	79	98	177
Total	**84**	**118**	**202**	**83**	**109**	**192**

Through the **Group Code of Ethics**, which was updated in 2019, MFE promotes **equality**, **non-discrimination** and **equal opportunities**. The MFE Group rejects and excludes any form of exploitation of workers and discrimination based on gender, age, race, language, nationality or religion, promoting equal opportunities in terms of training, development and professional growth. Finally, the Group guarantees fair treatment and promotes constant dialogue with the social partners.

In applying the Group's principles, therefore, any conduct or attitude that discriminates against or harms people as well as their convictions or preferences is opposed. The promotion of equal opportunities is encouraged with reference to work conditions and possibilities, training, development and professional growth, in full compliance with current legislation and the values which inspire the Group. Through the appropriate corporate structures, compliance with these principles is guaranteed and promoted in all areas of the organisation, implementing management policies aimed at guaranteeing a fair assessment of people already in the selection phase, constantly monitoring growth trajectories and designing professional and managerial training courses aimed at developing distinctive behaviours. These initiatives enhance and recognise the wealth deriving from diversity, promote integration and are an integral part of the Group's culture.

Demonstrating the ever-increasing importance that the company attributes to diversity and inclusion issues, in 2023 the ESG guidelines issued by the Group clearly expressed a goal connected with pay equity, stating the company's intention to **maintain the current levels of distribution and pay equity for each category**, considered positive, through recruitment and professional development policies that promote growth of the less-represented gender in managerial roles. In particular, in 2023 the goal was stated, also included in the management incentive system, to increase the percentage of women in senior management positions to 29%; this target was achieved 100%.

In 2023, the Group also reinforced its commitment to promoting a culture of diversity and inclusion, through specific training activities. A mandatory e-learning course was provided to all personnel entitled "D&I: the value of diversity and inclusion", directed towards underscoring the importance of valuing unique qualities in respect for people, a central component of the Group's culture. Courses were also promoted on the GoodHabitz e-learning platform, available to all employees, to promote valuing cultural diversity and to provide support in defeating the mental mechanisms on which prejudice is founded. Furthermore, for the entire HR department – the staff of which play a strategic role as ambassadors and facilitators of D&I good practice – a training project was organised on the issues of diversity and inclusion, demographic and employment scenarios, generational transition, gender equality in organisations and signs of change in organisational cultures.

The data presented provides a traditional breakdown of employees by the various **professional categories**, including that of "Journalists", typical of the particular business. Around 64% of the Group's employees belong to the white collar category, in keeping with the 2022 figures, with a balanced gender distribution.

As can be seen from the tables above, approx. 40% of Group employees are between 30 and 50 years of **age**, approx. 52% are over 50 years of age, while approx. 8% are below 30 years of age.

Within the Group, 202 people belonging to **protected categories** are employed in various corporate roles, with an essentially equal distribution between men and women. These represent about 4% of employees.

People management, attraction and development

The commitment and motivation of employees are fundamental elements for the Group's success. To this end, **opportunities for professional growth** are continually offered, exploiting the **diversity** of origin, experience and competence.

Internal company processes are aimed at ensuring a **correct assessment of employees** starting from both the selection phase and that of subsequent professional and managerial development, through constant monitoring of growth trajectories and the design of coherent training programmes.

Recruiting policies[15]

The Group has always enjoyed great visibility on the job market and attractiveness, as demonstrated by more than **21,000 unsolicited applications** received through the Working with Us section of the corporate website[16], with links to the websites of Group companies.

In parallel, the use of modern **digital recruiting tools** and relationships with the leading recruitment companies make it possible to actively **seek and identify** the best profiles on the market in relation to specific needs.

Finally, the **Group's constant and continuous collaboration with the leading Italian and Spanish universities** makes it possible to contribute to the educational offering of numerous degree and master's courses, through the many lectures and company testimonies in the classroom by its managers and offering internships in the company to young undergraduates and graduates.

The selection process is in any case always preceded by a careful **analysis of qualitative-quantitative** coherence regarding the size of the workforce, with respect to the organisational needs of the companies and also evaluating, where possible, the professional development of internal resources.

In Italy, more than 800 interviews were carried out during 2023, for both profiles with professional experience and internships.

The selection process is aimed at identifying the most suitable candidates, from the point of view of both technical and professional skills as well as soft skills, with the aim of seeking the key skills that the company considers a critical success factor for achieving corporate goals.

[15] Recruitment by the various Group companies, in Italy and abroad, is regulated by specific protocols drawn up in line with the Group's policies, in compliance with the provisions of Legislative Decree 231/01. These procedures also take into account the local legislation to which Group Companies are subjected, including provisions concerning termination of employment and provisions and regulations for specific remuneration treatment for "expats" in the event of secondment of personnel abroad.

[16] Figure refers to the Group in Italy

In particular, over the years the Group has consolidated a set of key distinctive skills, relating to the cognitive and relational-emotional areas, to be sought in the selection processes of figures from the external market and to identify and evaluate in planning the development trajectories for internal resources.

These ***soft skills*** in fact represent a critical success factor, common to all areas but differentiated according to the role and degree of seniority, for achievement of corporate objectives at both the group and individual growth levels and flank the professional skills necessary for the various roles in the organisation.

The observation and analysis of certain behaviours and attitudes that people tend to adopt during the selection or assessment phase allow us to estimate the following significant skills and abilities to be projected in the workplace:

- Leadership – cultivation of an appropriate style in interpersonal relationships in order to influence and involve others in the pursuit of the objectives of the group to which they belong, constituting a role model;
- Communication – ability to transmit and share ideas and information in a clear and concise manner; propensity for listening and effective discussion;
- Team working – willingness to work and collaborate with others, having the desire to build positive relationships aimed at accomplishing the assigned task;
- Social intelligence – ability to operate in a complex context taking into account one's own attitudes and those of others, consciously and objectively reflecting on one's own conduct and that of others;
- Emotional intelligence - ability to feel emotions, recognise them and experience them consciously, thus being able to be fully assertive and expressive in interpersonal relationships;
- Reliability – ability to carry out tasks scrupulously and with attention to content;
- Flexibility – ability to know how to adapt to changing working contexts, openness to innovation and willingness to collaborate with people with different points of view from one's own. Adaptation to different situations and changes in context, showing interest in discussing ideas different from one's own and willingness to reorganise one's thinking on the basis of new information;
- Stress resistance / emotional stability - ability to react positively to work pressure while maintaining control, remaining focused on priorities and not transferring one's tensions to others. Ability to overcome defeats and failures; attention to the way in which one's emotions are managed and impulses controlled in difficult situations;
- Self-confidence - awareness of one's value, of one's abilities and of one's ideas irrespective of the opinions of others;
- Problem solving – ability to devise alternative solutions to a problem, estimating the implications for the expected results. This is the tendency to provide concrete solutions that optimise activities in response to the constraints present;
- Life-long learning – recognition of one's deficiencies and areas of improvement, taking action to acquire and further improve knowledge and skills.

In order to guarantee new recruits an effective start-up of their work activity, the departments involved supervise all phases in the resource's induction, from activation of the **welcome and induction plan** to **tutoring** and **coaching**. In particular, in the last year the **onboarding** strategy has been reinforced, with the aim of making newcomers feel an integral part of corporate reality. Thanks to the onboarding process, newcomers can get to know and adapt to the new environment in a short time, understand the values and history of the company and accelerate acquiring a basic knowledge of their new workplace. To do this, the figure of the buddy was introduced.

Alongside their supervisor and the team of the new recruit, they accompany newcomers through their induction. Meetings dedicated to all new recruits have also been scheduled, which provides basic information on the organisation and operation of the company and encourages knowledge and development of cross-operational connections between new employees. This is accompanied by two days of ad hoc training dedicated to the development of personal skills.

In 2023, 178 people were recruited with open-ended contracts in the MFE Group in Italy, an increase compared to the previous year. New staff were recruited particularly in the Technology and Operations area, where there is a significant generational transition and there is an ever more frequent need to recruit people with specific skills related to the implementation of new technologies, as well as in the commercial area.

49% of those recruited in the year are aged between 30 and 50 and 44% are less than 30 years old.

There was also the opportunity for 255 young people to have an **internship experience** in Italy lasting around 5 months on average.

In 2023, there was a recruitment rate of approx. 6% in Italy and approx. 11% in Spain, where 110 people were recruited below 30 years of age.

NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER WITH OPEN-ENDED CONTRACTS BY AGE, GENDER AND GEOGRAPHICAL AREA [*]

	2023					2022				
ITALY	<30	30-50	>50	Total	% Turnover	<30	30-50	>50	Total	% Turnover
NEW EMPLOYEE HIRES										
Men	34	60	7	101	6.0%	27	62	4	93	5.5%
Women	45	28	4	77	4.9%	30	40	8	78	5.0%
Total	**79**	**88**	**11**	**178**	**5.5%**	**57**	**102**	**12**	**171**	**5.3%**
New employee hires Rate %	**40.8%**	**7.1%**	**0.6%**	**5.5%**		**43.3%**	**8.6%**	**0.6%**	**5.3%**	
EMPLOYEE TURNOVER										
Men	2	15	76	93	5.5%	2	14	56	72	4.3%
Women	6	6	49	61	3.9%	5	16	43	64	4.1%
Total	**8**	**21**	**125**	**154**	**4.7%**	**7**	**30**	**99**	**136**	**4.2%**
Turnover rate %	**4.1%**	**1.7%**	**6.9%**	**4.7%**		**5.3%**	**2.5%**	**5.2%**	**4.2%**	

SPAIN	2023 <30	30-50	>50	Total	% Turnover	2022 <30	30-50	>50	Total	% Turnover
NEW EMPLOYEE HIRES										
Men	47	28	6	81	10.1%	18	21	-	39	4.8%
Women	63	26	4	93	12.1%	39	24	-	63	8.4%
Total	**110**	**54**	**10**	**174**	**11.1%**	**57**	**45**	**-**	**102**	**6.5%**
New employee hires Rate %	**78.6%**	**7.1%**	**1.5%**	**11.1%**		**44.9%**	**5.5%**	**0.0%**	**6.5%**	
EMPLOYEE TURNOVER										
Men	11	24	9	44	5.5%	19	48	19	86	10.5%
Women	24	19	6	49	6.4%	12	35	22	69	9.2%
Total	**35**	**43**	**15**	**93**	**5.9%**	**31**	**83**	**41**	**155**	**9.8%**
Turnover rate %	**25.0%**	**5.6%**	**2.2%**	**5.9%**		**24.4%**	**10.2%**	**6.5%**	**9.8%**	

OTHER COUNTRIES	2023 <30	30-50	>50	Total	% Turnover	2022 <30	30-50	>50	Totale	% Turnover
NEW EMPLOYEE HIRES										
Men	1	3	-	4	23.5%	1	3	-	4	25.0%
Women	3	1	-	4	33.3%	3	1	-	4	36.4%
Total	**4**	**4**	**-**	**8**	**27.6%**	**4**	**4**	**-**	**8**	**29.6%**
New employee hires Rate %	**80.0%**	**28.6%**	**0.0%**	**27.6%**		**66.7%**	**30.8%**	**0.0%**	**29.6%**	
EMPLOYEE TURNOVER										
Men	1	1	1	3	17.6%	1	1	1	3	18.8%
Women	1	-	1	2	16.7%	1	-	1	2	18.2%
Total	**2**	**1**	**2**	**5**	**17.2%**	**2**	**1**	**2**	**5**	**18.5%**
Turnover rate %	**40.0%**	**7.1%**	**20.0%**	**17.2%**		**33.3%**	**7.7%**	**25.0%**	**18.5%**	

NOTE: To provide a more meaningful representation of the turnover rate for the MFE Group, the calculation method includes in the numerator only the employees with open-ended contracts by gender and age group. The recruitment and turnover rates are calculated by comparing the total of open-ended contracts for recruitment and leaving in the year by age group and gender with the average value of the number of employees for the same age groups. Recruitment and leaving produced by variations in boundary due to acquisitions and terminations in the reporting period are excluded from the calculation.

Remuneration Policies

In the MFE Group, the remuneration levels of employees are determined through an assessment carried out by the Human Resources Department and by the Business Managers who, with the aim of ensuring the competitiveness of internal remuneration levels with respect to market benchmarks, take into account the area of responsibility, the task performed and the principles of internal equity irrespective of the sex of employees, as well as the need to maintain a level of attractiveness and retention for key resources. To this end, depending on the role, all modern **remuneration instruments can be adopted to supplement fixed remuneration**, such as: non-competition agreements, short and long-term variable incentives, as well as the welfare and benefit system that Group employees enjoy.[17] To support the assessment of equity and the competitiveness of remuneration packages, the Group uses **remuneration survey and benchmark tools** provided by leading specialist consultancy companies.

With respect to remuneration criteria for senior management bodies, please refer to the compensation report included in the MFE Group Consolidated Financial Statements as at 31 December 2023.

With reference to the requirements of the GRI standards, the ratio of annual total compensation for the person receiving the highest compensation to the median total compensation for all Group employees (excluding the aforementioned person[18]) for the 2023 financial year is 56:1.

With regard to the ratio[19] between the percentage increase in the total annual salary of the person receiving the maximum salary and the median percentage increase in the total annual salary of all employees (excluding the aforementioned person), for the year 2023 it is approximately 2 times.

Training

The Group is constantly committed to designing effective **managerial and professional training activities** and training on **sustainability** issues, in addition to those related to **legal compliance**, in order to develop and increase the skills and personal capacities of its employees, considered a critical success factor to support the development of its businesses. During 2023, each area of training activity was monitored, taking care to provide courses that served the needs of personnel.

The definition of training projects occurs in coherence with the need to develop professional skills and managerial competences, in line with the business context and new compliance programmes, the need to align skills related to the technological evolution processes, and also the ESG goals defined by the MFE Group.

In addition to reading and interpreting the main development trends and scenarios of the Group that can provide a basis for designing training, **monitoring of training needs** is performed with the involvement of the Organisation and Development department, which interprets specific growth needs with respect to the personal skills of cross-operational personnel within the Group, and of the Human Resource Management department. At the same time, monitoring the evolution of legislation makes it possible to effectively ensure the provision of training envisaged by the legal framework.

[17] In particular, the remuneration policy applied to the Group's top management is detailed in the 2023 Remuneration Report.

[18] For the calculation of the indicator, the Total Annual Remuneration (RTA) was used. The value of the median is the same as would be obtained by including in addition also the value of the long-term system, not included in the RTA. The short-term system is included in target (100%, without short-term destination).

[19] In 2023 both the total annual salary of the highest paid person in the organisation and the median salary excluding the highest paid have increased. For this reason, it was possible to calculate requirement b of the GRI 2-21 disclosure. Specifically for this letter b, the MFE Group calculated the percentage increases in the salary of the highest paid, of the median excluding the highest paid and calculated the ratio between the two.

The training offering is provided in various **ways**, such as in-person courses, conferences, workshop activities, online courses and webinars selected according to the specific objectives and content of the initiative and the specific requirements of the recipients in order to maximise the effectiveness and efficiency of the teaching activity.

During 2023, the trend of a spread in **digital training methods** continued, both with courses held in remote classrooms or webinars and with the use of online training objects that each employee can choose to attend through the Training Portal. Here, each employee can freely access two e-learning platforms that contain a variety of courses and content. This training opportunity is constantly supported by communication and engagement activity on the company Intranet.

On some occasions, specific online courses have been assigned to groups of people who have attended classroom courses, in order to broaden or complete the content covered. The adoption of digital training tools allows both an expansion in the training content and enhanced digital skills for all employees, who can experience of a new training option that's enjoyable and involves self-learning. This development is in line with the processes of digitalisation that the Group is managing, as well as coherent and integrated with the Smart Working model adopted.

Overall, the actions taken have led to significant training results, since people were involved and followed in activities that met with a high degree of participation and satisfaction.

The most significant initiatives carried out during 2023 in Italy are described below.

Management training during the year was designed around the needs of different groups of personnel, taking into account the specific characteristics of the corporate context, understood both as a social community and as a union of different professional identities, and the transformation of internal processes.

In particular, during the year the desire to work across all areas of the Group emerged through two specific projects: one aimed at new hires and one aimed at senior managers.

All the people who joined the company within a year were involved in a course called “InMediaset”, which had the goal of strengthening some specific important personal skills, especially in the stages of coming into contact with a new work environment, to identify motivational levers and professional goals with optimal management of organisational logic. Topics such as social intelligence and self-awareness were discussed, among others, from the perspective of influencing and encouraging proactivity in respect for the culture and founding values of the Group.

An initiative entitled “Stories of Innovation” was provided to all senior management personnel, in the belief that, since the Group's history is founded on innovative and creative capabilities, this imprinting must be cultivated constantly. The design focus of the initiative was an innovative attitude as a fundamental element of the managerial mindset, to develop in order to design and lead company processes. During three occasions for meeting and discussion with witnesses within and outside of the Group, experiences and knowledge were shared that encouraged facing the new challenges of technological innovation with courage and determination and maintaining an open-minded attitude in planning and managing corporate processes of change.

With regard to well-being and attention to people, in 2023 a remote listening and psychological support service was again launched for all employees. The service is managed in collaboration with an outside company which allows employees to speak with a certified psychologist by phone or video, while guaranteeing personal anonymity and confidentiality. Employees can therefore make use of the service at any time they feel the need, to face private or professional situations and circumstances.

In continuity with previous years, the development project focused on identifying key managerial competencies continued, through one-on-one coaching sessions for a selected number of managers.

In relation to **vocational activities**, activities were carried out to increase technical skills and trade-specific knowledge. Activities in this area have often been dictated by technological upgrade requirements, in particular for the technical and production areas, where technology acts as a factor that enables innovation in company processes and individual skills.

As in previous years, projects of a technical nature ran for resources in the Operations Area, aiming in particular at learning the functional skills for using new technologies typical of studio equipment in TV production.

In line with an important technological innovation to support internal processes in managing contracts in the broadcasting sector, an extensive training activity was carried out to allow people to understand and best use a new-generation application used in various company areas that requires people to have an advanced approach to the digital tool.

In the sales house area, the "One Vision" project to increase and align knowledge of advertising products continued from the previous year. This activity involved both new hires and senior staff, in a shared path of exploring the characteristics of the broad advertising offering in the various media (TV, print, radio, digital...) that sales houses offer on the advertising investor market. The knowledge required of those who work in the commercial field is increasingly broad and diversified, as well as constantly evolving, and must be kept up to date. The programme was built drawing on the expertise of professionals within the company who took on a teaching role in a genuine relationship of accompanying the learning of their colleagues. The project was organised using different teaching methods, from in-person classrooms to the provision of digital content, such as videos and presentations, and learning tests.

Other professional projects were dedicated to specific topics, including the Project Management course for people who need to organise their activity from the perspective of projects, knowledge upgrade courses for using graphics and editing systems and a broad programme directed towards increasing awareness and knowledge of data security, run by internal teachers and aimed at figures involved in technology processes. An initial project was also carried out for a defined target audience with the goal of knowledge about certain generative AI tools, which are being observed and used for the first time in the world of work and therefore have to be known and assessed in terms of their potential both now and in the future.

Courses were delivered as usual to keep personnel up to date and informed on specialist content for individual areas, with attention to those that require constant updating to external situations or legislation. Courses directed towards in-depth study of Office tools are also always available (managed exclusively through digital self-learning).

Finally, **language training** continued with dedicated individual courses for those who need to enhance their knowledge of a foreign language, through a platform that offers the possibility of remote video lessons with teachers who are native speakers.

2023 saw the continuation and consolidation of **ESG** training activities. There was work on projects with content dedicated to topics principally in the Environment and Social areas, with education and awareness-raising content related to the ESG Guidelines adopted by the Group. **Sustainability** was identified as a key topic on which to provide knowledge, refine sensitivity and raise awareness around issues that involve and affect people and the company at the same time.

In this area, an e-learning course entitled “D&I: the value of diversity and inclusion” was provided to all personnel, with content directed towards valuing diversity and considering the importance of inclusion, elements considered central in the culture of the Mediaset Group, consistent with the Sustainability Guidelines approved by the MFE Board of Directors.

In terms of the Environment, a webinar was offered entitled “The impacts of climate change on water and habitat”, with the aim of informing and raising awareness of ongoing climate change phenomena and their consequences, focusing on the natural habitat and the risk of drought, but also of evaluating the possible solutions to launch to deal with this pressing problem.

In the Social area, a specific project on D&I issues was organised for the entire HR department, the staff of which cover a strategic role as ambassadors and facilitators of D&I good practice by directing policies that aim to identify, integrate and value the diversity present in the company, as well as attracting talent on the labour market. The project focused on transmitting knowledge sharing reflections on D&I issues, demographic and employment scenarios, generational transition, gender equality in organisations and signs of change in organisational cultures.

Training activities related to ESG topics were supported by constant communication activity on the company Intranet, in order to encourage employee participation by expressing the company’s strong commitment to spreading the culture of Sustainability. To strengthen this commitment, a specific target relating to the number of hours of ESG training provided to employees has also been established in 2023 within the short-term incentive system for top management and some other managers. The company has committed to providing a total of 3,300 hours of Sustainability training in 2023, fully achieving the target by providing 6,352 hours.

With regard to **statutory compliance**, initiatives envisaged by legislation were carried out, paying attention to the specific issues of the company.

In particular, Health and Safety training was delivered for new recruits and people with roles envisaged by the Group’s Safety Management System. The Workers’ Refresher project continued both in the classroom (Fundamentals of First Aid programme) and with the provision of a two-hour online course. In line with the provisions of Legislative Decree 81, courses have been activated in relation to requirements for the internal figures of the Group Safety Management System. All activities are based on the intention to make people aware of the value of the culture of Safety and Health in the workplace that the Group pursues.

With respect to Privacy, a new course entitled “Privacy: from general principles to the compliance programme” was designed internally and delivered to all personnel. The course, lasting approximately one hour, reviewed the principles of the GDPR and the Group’s compliance programme, providing the fundamental knowledge for correct personal data processing.

On issues related to regulatory compliance, and in particular on the subject of training and information on the Organisation, Management and Control Model established pursuant to Legislative Decree 231, Privacy and Security, specific training, usually through an online method, is provided upon recruitment of personnel. New recruits are also informed on how to consult the Code of Ethics of the Group and the compliance programme. Finally, all employees can access this documentation at any time on the company intranet.

With regard to trade union relations, within the context of an approach of discussion with workers' representatives, a Bilateral Training Committee (consisting of company and trade union representatives) has been established for many years with the task of:

- contributing to monitoring training requirements related to the need to maintain levels of professionalism appropriate to the production evolution of the company;

- formulating indications on projects and means of professional updating of human resources, with particular reference to initiatives in the field of life-long training, in relation to increasingly rapid technological developments and to issues concerning health and safety in the workplace;
- promoting, analysing and signing annual and periodic training projects/plans to be submitted to the inter-professional funds within the scope of funded training;
- carrying out periodic qualitative and quantitative analyses of the training activity carried out.

In 2023 too, structural use has been made of resources from Fondi Paritetici Interprofessionali (Inter-professional Joint Funds): Fondimpresa for the training of middle managers and employees, and Fondirigenti for executives, to fund a considerable portion of the Group's training activities.

Average annual training hours per capita by professional category and gender

MFE GROUP	Men		Women		Total 2023	
	No. of hours	Hours per capita	No. of hours	Hours per capita	Total hours	Hours per capita
Executives	3,245	14	2,343	22	5,588	17
Journalists	1,047	3	1,208	4	2,255	4
Middle managers	4,854	12	4,853	12	9,707	12
Office and Industry workers	15,826	10	15,445	10	31,271	10
Total	**24,971**	**10**	**23,849**	**10**	**48,820**	**10**

MFE GROUP	Men		Women		Total 2022	
	No. of hours	Hours per capita	No. of hours	Hours per capita	Total hours	Hours per capita
Executives	2,087	9	1,086	11	3,173	9
Journalists	1,394	4	1,190	4	2,585	4
Middle managers	4,471	12	3,710	9	8,181	10
Office and Industry workers	11,111	7	10,970	7	22,081	7
Total	**19,063**	**8**	**16,956**	**7**	**36,019**	**7**

NOTE: The training hours per capita use the average figure for employees by category and gender as the denominator. The training hours for blue-collar workers were also included with the white-collar worker category.

The 2019 data was re-presented following an improvement in the reporting process, to ensure the comparability of the information. For the figures published previously, please refer to the 2019 Sustainability Report published in the Corporate Social Responsibility section of the mfemediaforeurope.com website.

Number of employees receiving anti-corruption training or communication by professional category

MFE GROUP	2023	%	2022	%
Executives	28	8%	294	86%
Journalists	37	6%	560	91%
Middle managers	47	6%	792	101%
Office workers	387	13%	3,050	99%
Industry workers	-	0%	25	96%
Total	**499**	**10%**	**4,721**	**98%**

NB: any percentages above 100% are caused by fluctuations between the number of employees who received training during the year (including any terminated employees) and the average number of employees for the reference category.

In 2023, training on issues related to **human rights** involved, throughout the MFE Group, 1,620 people and 2,161 hours of training were delivered.

For 2023 overall, the Group provided 48,820 hours of training in Italy, an increase of 36% compared to 2022.

People training and talent management are critical elements for the corporate strategy of the **MFE Group in Spain** since they allow a rapid adaptation to the dynamic needs of the environment in which it operates.

More than around 11,000 hours of training were provided in the course of 2023. Among the main initiatives were training courses on accidents and risk prevention with respect to health and safety, compliance, training courses on leadership development programmes, coaching for senior managers and managerial development courses dedicated exclusively to female personnel. Of particular note in the course of 2023 were foreign language courses (3,052 hours), digital training courses (1,802 hours) and induction courses (2,934 hours).

Given the strategic role of innovation, the training plan dedicates many training hours to IT courses and the use of new software. In continuity with previous years, the MFE Group in Spain also offers occupational risk prevention courses (1,005 hours).

As indicated in detail previously, the most relevant training areas during 2023 were those linked to the development of skills in language training, digital skills and induction.

A cybersecurity training campaign for the entire company also began in 2023 which will extend into 2024.

Ultimately, more than 70% of the MFE workforce in Spain received some type of training in 2023.

We would also mention the scholarship programme for Group employees, as part of the Master's in Audiovisual Content Creation and Management. Not only does this course of study provide multidisciplinary knowledge of the Group's activity with the assistance of an expert teaching staff, but it helps students acquire and develop key skills and abilities for professional development in the audiovisual sector.

The 13th edition of the Master's in Audiovisual Content Creation and Management at the European University of Madrid, inaugurated in November 2022 and developed in 2023, saw the participation of 24 students.

During 2023, 4 students from the Master's were hired.

The collaboration agreements with public and private universities and business schools should not be forgotten, in order to promote internships in the company for students. This activity guarantees the creation of a future reservoir of new professionals that the company will be able to access in the future to meet its needs in terms of new human resources.

During 2023, 260 students from universities and professional training institutes took part in these company internships.

53 were then hired through Temporary Employment Agencies (ETT).

Added to all this is the "Showrunner: Fiction Classroom" programme, launched in October 2019 and held jointly by Mediaset España and the Cinema and Audiovisual School of Catalonia (ESAC).

In this programme, professionals operating in the film and television sector train students through a pathway allowing them to acquire the experience and knowledge needed to become experts in the production of drama content.

In 2023, the "Sumas Talento" scholarship programme for the Diploma in Drama and Audiovisual Creation at the Madrid Audiovisual Drama School (MADS) was continued, through which scholarships were awarded by Mediaset España (5 scholarships for students who were part of the programme).

Welfare and well-being

All **MFE Group** companies have defined various corporate welfare systems in line with the policies on human resources that have always put people at the centre of the corporate system.

In 2023 this central importance was reinforced through a statement in the **Sustainability guidelines** adopted by MFE's Board of Directors of a specific commitment to recognising and appreciating the value, experience and professionalism of the company's human resources, valuing the differences and characteristics of each individual, creating a positive and future-oriented environment. In terms of welfare, the Group has therefore made a further commitment to maintaining the high standards of excellence achieved, both in terms of the level of investment and the variety and innovation of the service offering, paying particular attention to employee satisfaction and their personal and professional growth so that they demonstrate their individual potential at all stages of their careers.

For over ten years the **Mediacenter** has been active at the Milan and Rome offices, the result of an important project aimed at creating an optimal context to facilitate the best balance between professional and personal life. In particular, this is an area on company premises that includes a series of useful and concrete services for improving the quality of life of those working for the Group.

With an area of 3,000 square metres, Mediacenter is considered one of the most useful and welcoming welfare stores in Italy. The services offered, managed by external operators selected for their specific experience in the areas of reference, concern personal care and activities necessary for family management: medical centre, which provides the medical services of specialists from the San Raffaele Hospital to employees free of charge;

- fitness centre;
- mini market;
- laundry/tailoring repair services;
- bank;
- post office;
- bookshop;
- parapharmacy;
- shopping area;
- catering (bar, sandwich bar and restaurant).

There are also many deals negotiated by the company for its staff – with banks, insurance companies and over a hundred retailers active online or near the Group's main offices. In particular, various "ESG" conventions have been signed in the last year, directed towards supporting sustainable development because they make it possible to promote and pay attention to issues such as environmental protection, social impact, well-being and waste reduction.

The renewal of the supplementary company agreement for the television area, signed at the end of 2023, envisages the introduction of a welfare platform which will allow access to flexible benefits and will expand the wide range of services already made available to employees, further strengthening corporate welfare.

The Group has also been working for many years, together with local public bodies, to offer its employees **transport and mobility services** through company shuttle buses that connect the Group's offices throughout the day (including public holidays for production centres) to the main nearby underground and/or railway stations. The service is the result of a detailed analysis of the home and work journeys of all Group personnel of the Milan and Rome offices, implemented in collaboration with the Department of Architecture and Planning (DIAP) of the Politecnico di Milano, aimed at optimising transport service routes and times and limiting personal inconvenience connected with reaching the workplace, both in terms of time optimisation and stress accumulation. The Group has put in place agreements with public and private entities for the use of parking spaces during working hours and has stipulated framework agreements with local public transport for discounted season tickets for employees with debit to the payroll.

In 2012, a **company Campus** was also set up at the Cologno site with specific architectural features aiming to connect all the buildings and production sites of the Group's headquarters with a more functional approach with respect to the use of work spaces and integration of company areas, achieved through an agreement with the Municipality of Cologno Monzese, which transferred Via Cinelandia to the Group in exchange for redevelopment of Viale Europa, which the MFE headquarters overlook.

MFE GROUP			2023			2022
	Men	Women	Total		Men	Total
Full-time	2,491	2,231	4,722	2,459	2,127	4,586
Part-time	48	201	249	55	217	272
Total	**2,539**	**2,432**	**4,971**	**2,514**	**2,344**	**4,858**

The Group safeguards maternity and return to work after the birth of children thanks to an important corporate initiative, the **Nursery**, which since 2004 can accommodate the children of employees up to 3 years of age; this solution allows parents to entrust their children to specialised educators, at the workplace, during working hours, avoiding the need for employees to sacrifice time and money on the care and custody of their children during the daytime.

In 2022, a major project of **rethinking workplaces** was launched, partly as a result of the changes introduced by the new post-pandemic smart working model, which led the Group to ask how it could review the offices and make them more functional, generating value for employees on days when they are on site. The main goals of the project were:

- to create opportunities for collaboration and exchanging ideas, fundamental for stimulating innovation;

- to guarantee the social dimension, made more complex by the hybrid working model;
- to reinforce the sense of belonging and demonstrate the concept of an innovative, welcoming company;
- to best support remote working between people who collaborate despite different locations.

The initiative was undertaken with the support of an architectural firm specialised in designing newly conceived work environments which started from these goals to produce a concept for implementing a pilot project, through interviews, workshops and focus groups. The pilot was effected with the complete renovation of the first three floors of the Viale Europa 46 building.

In 2023, in continuity with the previous year, MFE took part in the **WHP (Workplace Health Promotion) programme**, promoted by the Lombardy Region, allowing the Group to obtain the European workplace health promotion (ENWHP) certificate thanks to all the projects listed above and new initiatives promoted during the year, such as the "Mediaset ha a cuore il futuro" campaigns for breast cancer prevention, mental health and protecting women who are victims of violence, as well as initiatives that aim to promote employee well-being, including the launch of a remote listening and psychological support service, which all employees can access freely and anonymously. Furthermore, as part of WHP Programme activities, a questionnaire was presented to employees for evaluating widespread awareness around food waste, sharing its results and then offering thinking points that help increase awareness of the relationship between food waste and sustainability.

In 2023, collaboration also began with AVIS, which made mobile blood donation units available for a day in its Milan and Rome offices. Many employees took part, demonstrating a great spirit of solidarity and care for others. Running the initiative on company premises enabled raised awareness of blood donation, promoting effective participation in this generous activity.

The company intranet is an effective information and sharing tool that contains and circulates all the company regulations, organisational procedures, services for employees and Mediacenter news and publishes many news items to communicate the activities in progress in the various business areas and update its staff on the Group's initiatives in the area of sustainability, social campaigns, broadcasting projects, production and technological innovations, training activities, broadcasting rights acquisition, radio events, new partnerships and much more. The intranet is also the tool through which links to many company applications and the services of the human resources portal (salary statements, personal documents, attendance management, contracts and forms) are made available and through which the circulation of surveys to determine employees' opinions or experiences of certain specific issues is reinforced.

Benefits

The benefits envisaged for **MFE Group** workers in Italy are mainly of a social security and welfare nature. For all employees there is a supplementary health care plan, 24-hour accident insurance policy and the supplementary pension fund. The company also guarantees integration of the statutory remuneration provided for maternity for all its employees. For senior managers, in addition to these benefits, life and permanent disability insurance due to illness, as well as company cars depending on the role held, are also envisaged.

In addition to the annual review of its employees' remuneration, **Publieurope** provides health and welfare benefits.

The **MFE Group in Spain** looks after its employees by guaranteeing a wide range of benefits aimed at facilitating a better balance between work and private life. These benefits range from the possibility of using a company shuttle or free parking at the workplace to the company canteen, which benefits all workers, health insurance for spouses and children (up to 25 years), mandatory and/or optional medical check-ups and supplementary insurance for absence due to caring for children or relatives.

Working hours

The Group has always identified and implemented specific tools that facilitate the reconciliation of time dedicated to private and professional life, facilitating the equilibrium between demand and supply of flexibility in the workplace, in line with the needs and opportunities that characterise the television business.

With this in mind, a variety of working hours has been contractually defined with the trade unions which flexibly meets the needs of both the company and its workers. Specifically and for most employees, with various specific exceptions for the operational needs of the various organisational structures, it is possible to clock in flexibly between 9.00 and 10.30 am. The remaining workers, engaged in production activity, benefit from a 7-hour work day, rather than 8.

Moreover, from an operational point of view, reductions in working hours are generally granted to personnel requesting this in all the areas of the company, in the presence of the technical and organisational conditions and where the job permits; to date, 249 people in the entire MFE Group benefit from a part-time contract.

Starting in 2019, the Group launched the **Smart Working** project, which, having begun with pilot phases, accelerated greatly in the initial months of the pandemic emergency. Following the requirement of general application during the emergency period, the MFE Group assessed it and determined that it could constitute a new structural method of working, representing an element that enables increased productivity, digital development, the promotion of professionalism and goal-oriented work, the promotion of social, economic and environmental sustainability as well as a tool for balancing the production and organisational needs of the company and work-life balance for workers. In light of this, the Group has defined a new approach to the organisation of work characterised by synergy between flexibility, autonomy, responsibility and collaboration. To this end, the MFE Group signed an experimental agreement with trade unions in May 2021, definitively confirmed in December 2022, directed towards regulating the principles on which the new organisational method of working is based.

The New Smart Working Model adopted by the Group provides for a combination of work carried out remotely and activities carried out on the appropriate company premises according to "at least 1" logic: work can be carried out at least one day a week remotely and at least one day a week on site, through a weekly schedule defined within the individual structures, which takes into account both the technical, organisational and production needs of the company and the personal needs of the workers concerned.

Industrial relations

The MFE Group has established and built a consolidated and effective system of industrial and trade union relations at all levels of representation.

The topics typically subject to discussion and disclosure consist of work organisation in terms of jobs, levels and processes, the operating performance of the company, the evolution of the workforce and training issues, as well as the evolution of the business.

The companies in the MFE Group apply the relevant **National Collective Agreements or Supplementary Company Agreements (AIA)** to all of their employees, regulating all the typical situations of the employment relationship. In particular, for Italian companies, the following are applied: for Senior Managers, the National Collective Bargaining Agreement for Commercial Senior Managers and for Industrial Senior Managers; for Middle Managers and White-Collar Workers, the National Collective Bargaining Agreement for Private Radio and Television Companies, for Commercial Service Industries and for Engineering Workers; and for Journalists, the FNSI National Collective Journalists Bargaining Agreement. In addition, a Supplementary Company Agreement applied to Middle Managers and White-Collar Workers and a Supplementary Company Agreement applied to Journalist staff that regulate and improve on the conditions provided for by the national agreements have been historically in force for the television area of the Group.

Specific provisions that further regulate and detail working conditions, working hours and ad hoc technical-production models for individual companies are usually managed via agreements with the trade union representatives of the workers concerned.

The Group manages any structural changes to the organisational, production and logistics structure that have a material impact on the employment relationship with employees by following the union discussion procedures governed by current legislation, national collective agreements and company agreements. These activities aim to guarantee fruitful negotiation that limits the impact on workers and, where possible, improves any contractual provisions.

At the end of a discussion between the Company and the Trade Unions in the radio and television sector, the trade union negotiations for the **Renewal of the Group's Supplementary Company Agreement,** in force until the end of 2025, concluded on 12 December 2023, defining important measures to benefit employees. The new agreement will also be extended to the radio sector, which will therefore be able to benefit from the improved conditions provided for by the second level agreement.

As part of the renewal, particular attention was paid to **Welfare** issues, an area that was expanded through the creation of new tools and reinforcement of existing ones. In particular, the **welfare platform** was introduced, allowing the amounts relating to the Performance Bonus to be converted into flexible benefits and the use of any donations from the company, guaranteeing employees access to further welfare goods and services. The Smart Working model adopted by the Company was also established, providing for a combination of work carried out remotely and activities carried out on the appropriate company premises according to existing logic of the "at least 1" model. With a view to work-life balance, greater flexibility in starting was also shared with staff with constant working hours.

With reference to **remuneration**, in order to facilitate participation in the supplementary pension scheme, the amount that the company contributes to the fund has been increased. The amount of the Performance Bonus has also been increased for all employees, paid not only according to economic-financial indicators but also to non-financial objectives, related to: the reduction of CO_2 emissions, the average daily share, use of holiday and hours of ESG training. Improvements to remuneration have also been arranged for middle management, for whom an increase in the occupational allowance has been established, and for staff with technical-productive shift work, for which the working conditions on joining the company have been improved.

On the subject of **procurement**, reinforcement of the supervisory and control procedures was promoted with respect to the compliance of suppliers with the collective agreements signed by the most representative trade unions, also through the creation of a *procurement commission.*

With respect to the **labour market**, collective bargaining has made the *Professional Skills Commission* that was already present in the previous Supplementary Agreement permanent. At the same time, the same Commission, driven by the continuous change of processes and the adaptation of production and work organisation to the innovative use of advanced technologies, has begun a process of reviewing and adapting the personnel classification system.

The 2021-2023 renewal of the supplementary company agreement for the **MFE Group in Spain** was signed in 2021. This agreement improves on some of the regulatory conditions and governs aspects related to planning production requirements, internal mobility and notice periods.

Below are the collective agreements envisaged for the MFE Group in Spain:

- Mediaset España Collective Agreement (this was renewed in 2021, valid until 2023);
- Collective Agreement of the Advertising sector for employees of Publiespaña and Be a Lion;
- Collective agreement for Supersport "Audiovisual Producers" employees
- Madrid Regional Collective Agreement for Conecta 5, Mediterráneo, Telecinco Cinema and Megamedia employees.
- Collective agreement for EL Desmarque journalists.

Health and safety of workers

The MFE Group in Italy and Spain[20] has adopted, implemented and effectively deployed an **Occupational Health and Safety Management System (OHSMS)**, compliant with the **OHSAS 18001:2007 standard**. After **UNI ISO 45001:2018** came into force, the MFE Group updated its Occupational Health and Safety Management System to the new standard, obtaining Certification at Corporate level.

The certification of an OHSMS represents the recognition, by an accredited body, that:

- the management of health and safety issues in the workplace complies with the applicable provisions, regulations, etc;
- these issues are regulated, as well as adequately and continuously monitored, in order to reduce their impact on workers and pursue the prevention of occupational accidents and diseases, with a view to continuous improvement.

The Certification is valid for Corporate and for all the 13 companies that have adopted this management model, including[21]: Mediaset S.p.A., R.T.I. S.p.A., Elettronica Industriale S.p.A., Medusa Film S.p.A., Publitalia'80 S.p.A., Digitalia'08 S.r.l., R2, Radiomediaset S.p.A., Radio Studio 105 S.p.A, Virgin Radio Italy S.p.A., Monradio S.r.l., RMC Italia S.p.A and Radio Subasio S.r.l.

The application of the OHSMS concerns all workers operating in all offices of the above companies and their activity as well as management of contracted work.

[20] The occupational health and safety management system for the Mediaset Group in Spain does not cover employees in foreign offices. The foreign companies MedSet and Publieurope do not come under the Mediaset OHSMS either, but refer to local legislation.

[21] The Taodue company adopts a version similar to the Mediaset OHSMS and employs an external OH&S service.

The **UNI ISO 45001 OHS Management System** was subjected to a certification audit by the DNV certification body. The audit was successful and the 45001 certification was issued at the corporate and individual company level.

The System envisages the development and adoption of specific types of documents including: Policies, General Procedures, Operating Procedures, Operating Instructions and Practical Solutions. Among these there are, of course, some specific ones aimed at identifying and preventing risks and training programmes on health and safety issues[22] (which are defined according to the assessment of the risks to which workers are exposed in the course of their work).

Furthermore, for the purposes of the systems and rules for recording and reporting of statistics, the MFE Group has recourse to **specific supporting IT tools**, such as the Simpledo.Net platform.

At least once a year, in compliance with the provisions of art. 35 of Legislative Decree 81/08, for each certified company of the Group, a "Meeting" is convened which constitutes the "Management Review" referred to in paragraph 9.3 of UNI ISO 45001:2018.

MFE GROUP	2023	2022
Injuries (no.)	16	32
Fatal Injuries (no.)	-	-
High-consequence work-related injuries (excluding fatalities)	-	-
Working hours	8,244,605	8,007,744
Rate of recordable work-related injuries	**2**	**4**
Rate of fatalities as a result of work-related injury	**-**	**-**
Rate of high-consequence work-related injuries (excluding fatalities)	**-**	**-**

The **Workers' Health & Safety Representatives (WSR)** represent all workers.

In the case of critical events that may involve employees during business trips abroad, the "Personnel Abroad Security Committee" has been established, consisting of:

- Central Personnel and Organisation Director
- Safety Director
- Personnel Director
- Company representative of the area to which the employee concerned belongs.

[22] The PG SIC procedure 05 "Information, education and training of workers in health and safety in the workplace" governs the process of informing, educating and training personnel on health and safety in the workplace.

In order to guarantee safe working conditions, in May 2013 the MFE Group set up an **"Operational Guideline"** in order to guarantee the safety of its personnel on business trips in countries or areas considered "at risk".

Lastly, the Risk Management Department provides adequate **insurance coverage for business trips abroad**. It should be noted that no Group workers are involved in activities with a high accident or health risk[23].

There are also specific clauses that cover health and safety issues in contracts[24] in which the parties agree that the protection of health and the physical integrity of workers is a primary and constant concern for companies; also, with regard to the occupational safety and health of workers, express reference is made to the provisions of Legislative Decree 81/2008, as amended and supplemented.[25]

For 2023, confirming the Group's attention to the occupational health and safety of its employees, there were no serious injuries (duration of more than 6 months) nor cases of occupational illness or cases of injuries for external collaborators.

There were also two commuting accidents with a number of days' absence greater than 70 according to INAIL.

Occupational health and safety in **Spain** are regulated and guaranteed through the occupational risk prevention plan and the provisions of the individual national collective agreements. The plan is jointly defined by the Group Health and Safety Committee and by the Prevention Service ("Servicio de Prevención Mancomunado" or SPM), which is then approved by the Human Resources Department and Service Management and finally presented to the Risk Officer.

We would like to point out that in Spain all collective agreements include measures to protect the health and safety of workers.

Based on the objectives set out in the prevention plan, each year the SPM defines the activity plan. The Risk Officer has the task of approving and monitoring the plan on a quarterly basis together with the Health and Safety Committee. The Committee therefore does not carry out preventive activities but rather represents all employees: the committee consists of approx. ten people belonging to the different professional categories. Moreover, the SPM can perform extraordinary activities to meet or adapt to new regulatory needs or changes in business activities.

In the course of 2023, health and safety training for various categories of workers continued through online courses.

During 2023, no serious injuries were recorded whereas two minor injuries occurred among employees of the MFE Group in Spain. Again during 2023, there were 23 cases of accidents involving external staff. In addition there were two cases of occupational illness.

During 2023, the Prevention and Protection Service (SPM) held coordination meetings to address relevant aspects relating to health and safety, both with areas of the company and external suppliers.

Finally, the SPM carried out 10 inspections to verify the effectiveness and efficiency of the safety systems in as many company areas.

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[23] On 30 November 2018 (published on 5/12/2018) two Organisational Guidelines - O.G. MD/HO 105 and 106 -were issued, defining the organisational and operating models adopted by the Mediaset Group to manage any crisis situations (CRISIS Management Compliance Programme), in order to reduce negative impact on the business, limit damage to property and harm to persons and take advantage of any opportunities for the Group, contributing to improving company resilience and its value in time, also for the purposes of preventing the offences envisaged by Legislative Decree 231/2001 as amended.

The O.G. states that the "Group's priority goal" is to safeguard life and health for all in the company (covering employees, external staff, suppliers, guests...), protecting the company's reputation, supporting business continuity in areas and processes considered critical for the business in various safety and security risk scenarios.

[24] Mention is made of Art. 20 - Protection of the health and physical integrity of the workers of the National Collective Bargaining Agreement of Employees of Private Radio and Television Companies,

[25] Art. 7 – Environment and Health of the Supplementary Agreement for Group Companies in Italy

QUALITY OF THE PRODUCT AND SERVICE

The offering

The MFE Group in Italy has managed to attract audiences from every age group – with a particular focus on the **coming generation** – and social class, thanks to its television programme scheduling and selection of programmes capable of meeting all TV viewers' demands.

The **broadcasting strategies** that have led to the success of the channels in Italy through the dissemination of products and content that the users like are the responsibility of the **Programme Schedule and Distribution General Management** in association with **Content General Management**.

These two departments together with the **TV Committee** approve the broadcasting projects.

Once the broadcasting lines on which to build the entertainment of channels in Italy have been decided, the relevant Product Area – in this case, the Entertainment Department – proceeds to the selection of projects of interest through an analysis of the market of reference and monitoring to make sure they are in keeping with the broadcasting lines in the codified regulations **"Manual of Audiovisual and Radiophonic Services"**.

This manual guides the dissemination of content following the rules for programming, protection of minors, business communication, equal treatment, privacy and radiophonic regulations.

At the same time, both qualitative (broadcasting characteristics such as type of programme, positioning on the programme schedule, listener target and cast of artists) and quantitative (for example: duration, hours of product, hourly/total cost, etc.) television product guidelines and objectives are defined.

The Entertainment Department guarantees that the product is always in line with the values the Group wishes to convey and the principles contained in its **Code of Ethics**.

Lastly, constant sharing of the project and shared selection of programming make sure that broadcast content meets the quality expectations of TV users.

To further demonstrate the quality of the entertainment product, some examples are programmes like ***Striscia la Notizia***, ***le Iene*** and ***Forum*** which, still with the objective of entertaining their audience, at the same time address social and contemporary topics.

Responsible advertising and marketing

The MFE Group operates through two fully-owned **advertising sales agencies** in Italy: **Publitalia '80**, the exclusive sales agency for the free-to-air Mediaset networks; and **Digitalia '08**, which handles advertising sales for streaming TV and radio.

Furthermore, since 1 January 2024 Publitalia has owned **100% of Mediamond**, which sells advertising space on the MFE Group websites, the websites of agencies in the Mondadori Group and via third-party publishers, following the acquisition of 50% of Mondadori shares.

The Group's advertising is based on the **strategies** and **commercial policies** from various periods of the year which define the sales methods to investors for all advertising spaces on television channels (general-interest and specific).

Advertising sales take place through different **formats**:

- **Display** advertising: commercials during advertising breaks within or adjacent to programmes;
- **Sponsored** programmes (such as weather forecasts);
- **Long video**: 40-60-90-second videos created for the client and aiming to explain the product in greater depth than a classic commercial;
- **Short format** characterised by the prestigious position and the graphics frame (Top, Best last position, Brand video);
- Animated **overlays** in programmes (inlogo).
- Banners and Videos on websites

The main **forms of sales** for display advertising are organised by programme and by sets of commercials (**target modules**), while a relative price list is created for **special positions** within commercial breaks (very first, first, second and last).

Another way of advertising and selling products via television is **product placement**. This form of advertising sales takes place through the definition and creation of projects in collaboration with the client. There are two forms available: product insertion in programmes or the construction of programmes fully financed by the client.

From an internal control point of view, the Group takes special care to select which advertising campaigns are broadcast. To this end, the main criterion is **compliance with current legislation on advertising**.

Compliance verification is applied in full respect for the advertiser's autonomy in creative and communication choices and is aimed at protecting the company (as well as the advertiser) with respect to the legal status of the communication to be broadcast. This is expressed in the preliminary assessment of what might be the "critical" elements of the message (as well as in the identification, where possible, of the actions necessary to ensure that the advertising complies with the rules).

These control procedures aim to avoid any complaints that could lead to the early termination of the campaign, as well as fines and civil/penal sanctions against (also) the broadcaster.

Refusal to broadcast the advertising message can only occur in cases where obvious critical issues in the communication of a legal nature cannot be avoided.

Another assessment criterion that would affect an advertising campaign being broadcast on Mediaset networks is the **conformity of the message to the broadcasting policy** of the networks.

With respect to its target audience, the MFE Group applies strict selection on advertising that relates to or belongs to certain **product sectors** which - even if lawful and legitimately publishable - could be considered as not compliant with the broadcasting policy (e.g. the Group does not advertise weapons or legal cannabis) or in relation to the content of the message itself (e.g. vulgarity, violence, etc.).

This editorial judgement varies depending on the characteristics of the medium and therefore also of the target audience for which the advertising is intended.

The MFE Group is committed to broadcasting messages that have more than just a commercial purpose. To that effect, MFE is a founding member of the Fondazione **Pubblicità Progresso**, represented by Publitalia '80 along with the major players in communication in Italy. This foundation aims to contribute to solving the civil, educational and moral problems of the community by placing communication at the service of society.

Pubblicità Progresso promotes training initiatives on social communication at leading Italian universities; it sponsors events, exhibitions and initiatives dedicated to important social issues; it sponsors social communication campaigns carried out by non-profit organisations; and it holds the Festival of Social Communication for training and public educational purposes. In addition to paying a membership fee, the sponsoring members provide their work free of charge for the implementation of the Foundation's activities.

Every year, Pubblicità Progresso draws the attention of the authorities and public opinion to create greater awareness on a specific theme by implementing communication campaigns using contributions from promoting partners; by way of example, past themes have included campaigns on anti-smoking, organ donation, gender equality, anti-racism, sustainability and volunteer work.

Product innovation has always been one of the main drivers for Publitalia ’80 which, in 2017, created a new General Management dedicated, initially, to developing the potential connected with Smart TVs, a rapidly growing strategic medium in Italy, which allows new ways in which viewers use content to be identified.

The Management has focused its activities on developing and implementing new dedicated advertising formats, delivered on linear networks but also within the Group’s OTT platform, Mediaset Infinity, made available in 2018 also for internet-connected TVs.

Another of the Management’s areas of activity concerns the collection of data, fully respecting the privacy of the Group’s media viewers and users, for the purposes of building data-driven products and campaigns that enhance customer communication in all the Group’s digital media. From internet-connected Smart TV to Digital, Digital Out Of Home and the Digital Audio product, also launched in 2017.

The tech stack available to the Group and the expertise of the AdTech Management team provide the market with all-addressable solutions that meet a wide variety of communication goals, from branding to performance, and that seamlessly enable the scheduling of several screens, boosting and optimising the efficiency of the campaigns.

Following the acquisition of the mobile data company Beintoo in 2020, Management activity has been enhanced with measurement products and services that can analyse the effectiveness of scheduling on internet-connected Smart TVs, in terms of Drive to Site or Drive to Store. In addition, given the vast offering of digital media available, the Management has developed the model further, expanding its scope to include campaigns on linear and digital TV (web and audio).

In addition to teams dedicated to product development and data analysis, marketing and sales support, one part of the Management is the International Marketing team that observes and analyses international trends and indicators and supports the Group’s international sales house, Publieurope.

The **MFE Group in Spain** believes that the responsible emission and management of advertising are both fundamental elements of the business and has therefore implemented specific management and control mechanisms.

Publiespaña S.A.U. manages the Group’s advertising activities in strict compliance with the applicable legislation and with the specific guidelines defined by the **Association for the Self-Regulation of Commercial Communication**, which the company has been part of since 1995.

In recent years, Publiespaña S.A.U. undertook an **internal reorganisation** process to create as uniform a structure as possible with the Directorate-General for Contents; the central figure in this reorganisation is the Director-General, who is responsible for the management and sale of advertising and constantly works in close liaison with the Chief Executive Officer.

For the purposes of the internal supervisory system, a commercial policy has been implemented which allows improved monitoring of the advertising content prepared. This is examined and monitored weekly by three

Directorates General (Sales, Digital Media, Marketing, Operation and Sale services), who monitor the correct broadcasting of the content.

These Directorates work in close collaboration with the Group Legal Department.

In order to avoid any proceedings for misleading advertising, MFE España voluntarily submits any doubtful case in advance to the Association for the Self-Regulation of Commercial Communication (Autocontrol).

The **internal monitoring process of advertising content** also provides further verification, in collaboration with the Legal Department, even after airing (in the event of disputes or claims for compensation).

The MFE Group in Spain performs further internal reviews to **regulate televised content for children**; this monitoring and control includes issues regarding the advertisement of certain food products (to prevent obesity), messages on the environment, advertising toys, and the promotion of medicinal products or alcoholic beverages.

The same diligence is applied in the field of audiovisual commercial communication (advertising, promotion, sponsorship and product placement) and self-promotion.

However, despite adopting all possible measures to ensure responsible management of both advertising content and distribution, there have been situations in which the established procedures were not able to resolve potential non-compliance.

Further compliance checks are carried out with regard to advertising spots for the **gambling** and **betting** sector.

In 2023, the MFE Group in Spain launched Mediaset Cross, a product that offers advertising planning based on customer data, leveraging the Data Planner (DP) for campaigns on Non-Internet-Connected Linear Television. This tool improves the effectiveness of ads, moving beyond traditional sociodemographic profiles. New segments such as Cross-Beauty, Cross-Motor, CrossCinema & Shows and Cross-Health and Pharma have been introduced. Constant communication with customers, transparent contractual conditions and the collaborative resolution of any problems during the development of campaigns have taken priority. Use of artificial intelligence (AI) has also enabled further optimisation of campaigns, allowing for more precise audience segmentation.

Furthermore, innovative advertising formats and advanced technologies are continuously developed to offer customers the best possible communication tool.

The MFE Group in Spain is committed to ensuring that the collection and analysis of data for the purposes of advertising campaigns always take place in accordance with current legislation.

Protection of minors

The MFE Group has always been attentive to the protection of minors. For this purpose, the Company continuously assesses transmissions and pays close attention to the impact that these can have during a child's developmental years.

Below are a few of the **commitments that the MFE Group has undertaken to protect minors**:

- **compliance with all applicable regulations**, including the Audiovisual Media Services Directive (Legislative Decree 208/21), which incorporates the provisions contained in Directive 2018/1808/EU, and the **Self-Regulation Code Concerning Television and Minors** signed in November 2002, which commits the Group's networks to the monitoring of programmes offered to make sure it observes the constraints in place to protect young viewers.

- **classification of programmes**, leading to the identification of content "*that may impair the physical, mental or moral development of minors*" (transmitted with all the specific warning and encryption apparatus) and to flag drama products on all linear and non-linear platforms, free of charge and pay per view, through coloured dots (green dot: suitable for everyone; yellow dot: recommended for children accompanied by an adult; flashing red dot: recommended for adults; fixed red dot: potentially harmful for minors or prohibited for children under 14). Further information on the programmes – useful for directing users' choices, also in relation to the protection of minors – is provided through information tools accompanying the content (e.g. EPG for digital terrestrial, programme information on the web and apps);
- the **offering dedicated specifically to minors**, thanks to 24-hour programming of the three free-to-air channels Boing (from 2004), Cartoonito (from 2011) and Boing Plus (from 2019).
- Appropriate corporate structures (**Directorate for Regulation and Institutional Requirements and Directorate for Documentation and Institutional Analysis**) preside over compliance with the provisions for the protection of minors in broadcasting content, in order to guarantee programming that complies with the protection of minors for every service offered, also in compliance with the Audiovisual Media Services Directive (Legislative Decree 208/21) and the Media and Minors Code.

The MFE Group is also committed to **promoting responsible TV consumption by users**, planning periodic campaigns on the use of **parental control**: in these the viewer is reminded of the possibility of activating the blocking device through the set-top box settings to prevent the viewing of V.M.14 content potentially harmful to minors.

There is also a link that takes users straight to the parental control feature - and to the Committee for the Application of the Media and Minors Code web pages and Internet Works Regulation - available to users on the Mediaset Group website (www.mediasetinfinity.mediaset.it).

From the date of signing the Self-Regulation Code Concerning Television and Minors (November 2002), the Group has participated via its own representative (as Vice Chairman) to help the Committee apply the Code and has always made itself available for active discussion in the area of events, conferences and study days promoted by institutions, research centres and universities on the most pressing emerging issues. This participation was also confirmed upon composition of the current Committee (2021–2024 term). In particular, in 2023, Mediaset was part of the Commission to revise the Media and Minors Code, established within the Committee, which drew up the draft of the new text, which aims to reformulate requests to safeguard minors in light of the complex reality of the current situation. The proposal to revise the Code was submitted to the Italian Ministry of Enterprises and "Made in Italy" in November 2023, to initiate the procedure envisaged in Article 37 paragraph 6 of Legislative Decree No. 208/21 and is awaiting definitive approval.

The Group has also kept its role on the Advisory Board of the **Safer Internet Centre for the Italia-Generazioni Connesse** project, coordinated by the MIM – Ministry of Education and Merit. TV news and public service and in-depth information programmes focused continuously on the issue of cyberbullying and the potential risks connected with the Internet.

As part of the **institutional initiatives**, following the signing of the Pietrarsa Manifesto – a "call to action" from the Italian Data Protection Authority addressed to all communication operators, in order to educate children about the conscious dissemination of their personal data in digital environments – in 2023 Mediaset launched a series of activities (also commissioning qualitative research with focus groups made up of children/young people aged 7 to 13) relating to how younger members of society relate to the main devices, focusing on managing sensitive data. The evidence that emerged represented the starting point for the institutional campaign "Occhio ai dati, ragazzi!" (Mind your data, guys!) within the "Mediaset ha a cuore il futuro" project, comprising a series of spots broadcast on our generalist and thematic TV channels between July and August (the campaign was also reaffirmed by the three agencies, radio stations, websites and Instagram and Facebook pages of the Group). In addition to this initiative specifically aimed at minors, again in 2023, "Mediaset ha a cuore il futuro" continued in its commitment to raise awareness around issues of interest to society and which are particularly topical and relevant as younger members of the public grow and mature: in particular, the messages for the "Invito alla lettura" (Invitation to read) campaign and for "Earth Day" explicitly referred respectively to the example and legacy to be left to the people of the future. Following the opening (in the first months of the year) of the "Mediaset ha a cuore il futuro" social media pages, the "Pensa prima di scrivere" campaign on cyberbullying and "Non cadere nella rete" campaign on Internet addiction were repeated on Facebook and Instagram – in addition to the campaigns for "World Play Day" – which focus on issues particularly close to the coming generation (for more detailed information on the "Mediaset ha a cuore il futuro" project, see the paragraph dedicated to initiatives aimed at the community).

Regarding **commercial communication**, the advertising sales house Publitalia '80 also supervises compliance with the provisions contained in the **Self-Regulatory Code of Commercial Communication**.

Regarding the participation of minors in the content produced, the **MFE Group in Spain**, in addition to following the procedures issued by the **Community of Madrid Labour Department**, has drawn up a **manual** in which all necessary information concerning the rights of minors is collected to ensure children's activities on television are suitable and to ensure that their right to education and enjoyment of their leisure is not violated. This manual is available on the intranet and is provided to all production companies who employ minors to implement the measures presented.

Furthermore, the **Code of Ethics** of the MFE Group in Spain states that, as a basic principle, "no one should behave in such a way as to induce, promote, favour, permit or allow acts or attitudes that could be characterised as prostitution or corruption of minors".

As for the impact of the content transmitted to minors, the Spanish regulation requires the **classification of the audiovisual content to be transmitted**, defined in the framework of content self-regulation, signed by the operators of free-to-air television in 2015 and under the supervision of the Spanish National Commission on Markets and Competition (CNCM). According to this self-regulation framework, all televised content must be classified, except for news and events broadcasting (sport, music, culture, politics, bullfights and bull runs).

For these purposes, the **Department of Institutional Relations** works continuously in close contact with the **Antenna Department** in order to clarify and qualify any content that may have an impact on regulations for minors.

The age classification established determines the time slot in which each programme may be broadcast.

Furthermore, prior to the transmission of programmes involving children, a preliminary approval by the **Child Protection Authority** is required in addition to the aforementioned verification.

Finally, thanks to the **Parental Control system**, the Group ensures a safe browsing environment for registered users on the Mitele platform and on all devices. On websites with specific content aimed at children and young people, the advertising used is segmented to avoid the risk of promoting unsuitable products or services that do not comply with the rules described above.

As part of its audiovisual activities, Mediaset España adheres to a strict framework that requires compliance with current legislation, self-regulation codes and sector guidelines.

During 2023, no proceedings were initiated against the MFE Group in Spain for possible violations of regulations and/or voluntary codes relating to the classification of programmes in relation to the protection of minors.

Protection of intellectual property

The MFE Group considers respect for and protection of intellectual property to be of strategic importance and, to protect its audiovisual rights, prosecutes those responsible for pirated transmission of its content, through every competent body.

We start with careful monitoring using **specialised companies** and, once we have identified pirated content, we proceed to **caution** the pirates, with the help of **external legal firms** where required, and in the event of repeat offences file **administrative actions with AGCOM** via civil and criminal lawsuits, both to prevent offences and to obtain compensation.

These actions have resulted in legal measures with significant compensatory obligations which, although pending further stages in some cases, confirm the legal direction of copyright protection. Particular attention was also paid to anti-piracy activity for Group-owned films in cinemas.

The same level of attention for intellectual property is also recommended to internal production facilities, for which the **Collective Management** of Copyright and Related Rights provides preventative advice on request.

The Group is also present in all national and European institutions that deal with copyright legislation.

As evidence of the importance and care that the MFE Group dedicates to the protection of intellectual property, the **Code of Ethics**[26] has a specific article on this subject stating that anyone processing data, information or documents regarding intellectual and/or industrial property rights within MFE Group companies must do so with the utmost diligence, accuracy and confidentiality.

In the case of foreign subsidiaries such as Medset, external legal firms meeting the local regulatory requirements act to protect intellectual property and copyright.

In addition, RTI has a specific **O.G. ("Procurement of television productions and purchase of formats and licences")** which governs this case.

The reporting activity already undertaken by our group from 2014 in accordance with the Regulation on protecting copyright within electronic communication networks (Ruling no. 680/13/CONS, as amended by Ruling no. 189/23/CONS), for shutting down pirate websites who transmit cinema and TV series content to which we hold the usage rights, continues.

With Resolution 189/23/CONS dated 26 July 2023, AGCOM introduced significant changes to the Regulation, in light of the new measures introduced by **Commission Recommendation (EU) on combating online piracy of sports and other live events** of 4 May 2023; as well as the law no. 93 of 14 July 2023 containing "***Provisions for the prevention and suppression of the illicit diffusion of content protected by copyright through electronic communications networks***".

26 Both the Code of Ethics adopted by Mediaset SpA and its Italian subsidiaries in 2019 and the "Code of Ethics" adopted by MFE contain a specific provision on the protection of intellectual property, according to which, considering the extensive assets of intellectual and/or industrial property rights held by the Group "all Addressees whose activities, duties or functions in any way involve processing data, information or documents regarding intellectual and/or industrial property rights within Group companies are therefore obliged to protect them with the utmost diligence, accuracy and confidentiality". It also stipulates that "the intellectual and/or industrial property rights on products, works and/or knowledge developed in the working environment belong to the companies of the Group that hold the right to exploit them, according to the methods and times deemed most appropriate, in compliance with the regulations applicable from time to time" and that "in the same way, the MFE Group respects and protects the intellectual and industrial property rights of others, ensuring that only original products and works, duly licensed by the legitimate owners and used in accordance with the authorisations received, are used in the company's activities (both production and commercial)".

In particular, law no. 93/23 attributed new powers to the Authority in order to strengthen its functions to **combat online piracy** activity in a more **effective and timely** manner, providing for the use of a platform (Piracy Shield) which uses a machine-to-machine system to enable automated management of right holder reports in order to guarantee timely and effective protection of rights and, in particular, intervention within thirty minutes of the report.

More precisely, during the broadcast of a live sporting event, rights holders can access Piracy Shield to report the services to be blocked.

Following receipt of the report sent by the rights holder, the Internet service providers proceed to shut down the pirate site within 30 minutes.

In the event of non-compliance with the order to disable access to the site, Agcom applies the **penalties** referred to in law 31 no. 249 of July 1997, notifying the bodies of the judicial police.

The **MFE Group in Spain** has defined procedures to control the flow of content to various platforms to guarantee the exercise of its intellectual property rights, while carrying out technical audits to review their correct application.

The Mediaset Group in Spain has always been at the forefront of all initiatives aimed at combating piracy and protecting intellectual property.

We would highlight the existence of the Property Management procedure that establishes and regulates rights and duties in this area.

Intellectual property is also guaranteed in all contracts with figures (authors, artists, presenters, etc.) who take part in a television production.

In addition, MFE has **an external content monitoring service on YouTube** which tracks and removes all content owned by the Group from this channel.

The intellectual property rights of programmes broadcast live and on-demand via online platforms are protected by specific **internal control systems** that the company applies before the programmes are aired. The Group examines and defines the different contractual clauses of all the contents produced and transmitted on the various channels with the support of the Legal Department.

The **management of the Multi-Platform Department** ensures that all content offered via various websites has the appropriate broadcasting rights in the contract with the producer in question.

MFE has adopted a **contractual monitoring system** for films produced by Telecinco Cinema which combats illegal access to content produced while the film is shown in cinemas (from film release until viewing on DVD/Blu-ray).

It should be noted that the **Code of Ethics** of MFE in Spain also regulates all aspects relating to the defence of intellectual property.

Responsible management of the supply chain

In carrying out its own characteristic activities, the Group interacts with a multiplicity of **suppliers** for the acquisition of **current goods and services** as well as for **investments in tangible and intangible assets**, the latter consisting mainly of multi-year rights to use audiovisual content.[27]

Given the peculiarities of their products and services, all Group companies use Italian and Spanish suppliers where possible to **promote local business in the areas in which they operate**.

Percentage of spending by local suppliers by product category (*)

ITALY	2023			2022		
	Total	**Italy**	**Other countries**	Total	Italy	Other countries
Purchasing costs for goods and services	1,140	1,006	134	1,137	1,011	126
Investments in movie and TV rights (**)	249	153	96	229	136	93
Investments in other fixed assets (**)	73	71	1	45	44	1

SPAIN	2023			2022		
	Total	**Spain**	**Other countries**	Tot	Spain	Other countries
Purchasing costs for goods and services	377	358	20	361	334	26
Investments in movie and TV rights (**)	134	99	35	109	68	41
Investments in other fixed assets (**)	10	10	-	6	6	-

(*) Suppliers considered to be local are identified on the basis of the country of origin. In terms of relevance, spending by local suppliers differs for Group companies operating in Italy and for those in Spain.
(**) The item refers to the increases in the related categories of tangible and intangible fixed assets.

As for the **purchase of multi-year broadcasting rights**, it is necessary to underline the high incidence of expenses towards the main **American majors** and towards the **holders of sports broadcasting rights** in the total investments of the Group. As can be seen from the tables, in 2023, about 84% of MFE Group spending in Italy went to Italian suppliers, while 86% of MFE Group spending in Spain went to Spanish suppliers.

Fairness in supplier relationships

Collaboration, supply and contracts regarding third-party business relationships with MFE Group companies in general contain an explicit reference to the **Code of Ethics** (see also paragraphs 1.3 and 3.2 and the Corporate 231 Compliance Programmes) and state that failure to comply with the rules set forth therein may constitute a

27 This item refers to operating costs (costs for acquisitions, services rendered, leasing and rentals and other management charges) reported on the income statement on an accrual basis, net of inventory changes, increases of internal work capitalised and provision for risk.

breach of the contractual obligations assumed, with the consequent option of cancelling any contracts made with any company in the group.

Furthermore, the Group has joined the initiative promoted by **Assolombarda** (extended to the main Italian companies of the Group), which started on 27 May 2014, signing up to the **Italian Responsible Payment Code**, the first ever code in Italy for responsible payments. In taking this step, the MFE Group has committed to meeting the payment times agreed on with its suppliers and in general to promoting a culture of prompt, transparent payments.

MFE is part of the first group of Italian and multinational companies founding the Code and, in compliance with its provisions, it has declared that average payment times contractually defined with its suppliers also for 2023 were 60–90 days and relative payment dates were duly complied with.

Note that the **selection[28] of suppliers** and the goods or services to be acquired is based on the evaluation of various **parameters**, such as the quality and price of the good or service, guarantees of after-sales services, as well as promptness and efficiency. When selecting suppliers, great attention goes into verifying their reliability and seriousness in terms of compliance with current legislation and regulations governing their activity. Supplier and purchasing certification processes are governed by specific **company procedures (OGs)**, which ensure the timely identification of suppliers and the traceability of supply channels, which thus helps guarantee the quality and legitimacy of the goods and services purchased.

Furthermore, all purchasing processes are based on the **search for the maximum competitive advantage** for the MFE Group as well as **impartiality** and the **granting of equal opportunities** towards each supplier who meets requirements.

The preparation of standard contractual texts or those with specific legal issues is assured by the **Group's legal department**, and by external lawyers where necessary.

In a bid to make the procurement process more efficient and standardised towards third parties, the MFE Group in Italy operates via **specialised purchasing centres**, whose processes are described in the following paragraphs.

In addition, the Group aims to oversee the **certification activities** of the various categories of suppliers with a single organisational unit, thus facilitating the identification of any factors that influence the selection and management of the portfolio.

Given the particular business of the companies in the Group, the main purchase activities of all companies fall into three macro areas:

- Acquisition of **broadcasting rights** (films, series and sporting events);
- Acquisition of **content** (entertainment, news, drama) for the various distribution platforms;
- Acquisition of **goods and services to support** television production and cross-production.

The related procurement processes for each of these areas are described below with evidence of their main purchase poles.

28 Art.19 of the Group Code of Ethics.

Acquisition of Rights

The MFE Group acquires the following through **R.T.I. S.p.A.**: serial content (TV series), films (also through the subsidiary **Medusa**), as well as documentaries and sports, depending on the programming needs of free-to-air and pay TV.

These acquisitions are negotiated directly with the owners of the contents or their broadcasting rights.

The **vendor list** for the **selection of suppliers** is prepared, updated and submitted to the Risk, Control and Sustainability Committee every six months, and annually to the Executive Committee and the Board of Directors of MFE, in compliance with the corporate organisational guidelines.

The assessment includes the **verification of any ongoing proceedings**, such as liquidation, bankruptcy and mergers, and also includes the transparency of the corporate chain.

Furthermore, suppliers resident in countries with preferential taxation entered on the **Black List** are not considered for the purposes of this selection.

The selection of suppliers of broadcasting rights takes place through the widespread coverage of the national and international content distribution market - while also participating in major sector events - giving preference to **companies with consolidated experience and expertise**: North American majors and minimajors, European studios, leading Italian and international independent distributors.

Special attention is paid to **Italian works** and is aimed at both current and library works, through the acquisition by a Group company of cinematographic works from independent producers, and through commercial agreements with companies outside the Group who are specifically dedicated to domestic production.

The **Purchasing Rights Department** maintains commercial relations with all the major Italian film distributors, through multi-annual volume agreements and prompt procurement.

With regard to **multi-annual agreements**, the Purchasing Department envisages the purchase not just of individual contents, but stipulates "volume" agreements that include varied product categories, based on the annual production of the supplier. For this reason, the selection and acquisition of individual contents are conditioned by the contractual terms of the multi-year agreement which define the minimum volumes by product type and the methods for selection. There are currently two volume deals, one with Warner and a second with Universal.

As for **ad hoc acquisitions**, selection is carried out based on the approval of the product by the market, or based on the interest stirred by content in countries that are continuously monitored, via information that the suppliers send to the Purchasing Department and by assessing the product directly through the monitoring of satisfaction ratings in cinemas, paid channels and streaming networks.

Once interest has been established for that particular product, **"all rights"** acquisition usually takes place in order to ensure that this is available on different platforms (e.g. Infinity, pay TV and free TV). Given the different needs of the platforms, a percentage of the budget is then allocated to exclusive purchases for each of these.

In 2023, the **volume of investments** was **€274.1 million**, of which 62% for cinema/series/doc broadcasting rights and 38% for sports broadcasting rights.

With respect to the supplier base, 84% of the licensors are Italian or European.

As highlighted previously, part of the investment in film production is made by the subsidiary Medusa Film through purchases or co-productions in order to supply the Company with the “product/movie” with the whole broadcasting rights chain, starting with cinemas.

The latter is the starting point for the exploitation of the product life cycle, as well as foundation for the creation of value through subsequent exploitation that can be managed by the Group "non-exclusively" (for example from market practice, TV on demand, pay per view) or "exclusively" (SVOD, free).

Also, **constant market monitoring** is carried out on film content to identify the main trends and products of interest (at international and local level) and to gather useful information in general to guide the broadcast offering.

The movie rights acquired in 2023 come from Italian producers, since the publishing line established by the Group for Medusa envisages a focus on Italian cinema, typically comedy. In 2023, given the strategic business objective of Medusa, the "core" suppliers were predominantly Italian. These suppliers, as executive producers or original producers, have an almost entirely Italian supply chain. Film shooting and all subsequent post-production processes take place in Italy.

The close relations between Medusa Film and Italian cinema is a guarantee for the selection, production and dissemination of the best product, given the constant commitment of the Medusa Film and its suppliers to enhancing local artistic and professional excellence. This commitment must always be guaranteed to the highest standards in the industry in order to withstand competition from foreign products.

Lastly, note that the **Organisational Guideline** on **“Planning, acquisition and management of movie rights”** states that supply contracts for the purchase of film rights from Italian counterparties must contain clauses that demand suppliers obtain approval for public programming. In the event of non-fulfilment of this clause, Medusa Film has the right to withdraw from the existing contract without jeopardy to any possible claims for damages or, alternatively, to apply further specific clauses (for example the reduction of the fee).

In the event of acquisition of movie rights by foreign counterparties, the contracts drawn up must contain clauses that provide for Medusa Film’s right to make the cuts necessary to obtain approval for public programming, with prior approval of the supplier.

Acquisition of Content

Entertainment - The creation of entertainment programmes requires the acquisition of **formats**, the signing of **executive contracts** and the contracting of **artistic resources and collaborators**.

Suppliers are selected on the basis of the television broadcasting guidelines and the purchasing requirements plan defined by Programme Schedule and Distribution General Management in collaboration with the Entertainment Department.

The **Entertainment Department** selects broadcasting projects of interest and manages negotiations with the supplier. At the same time, the Legal Affairs Department carries out preliminary checks to ascertain the effective ownership of the broadcasting rights (brand/titles) granted by the selected supplier and the usability of the proposed titles.

The Provider Certification Department of the **Procurement Division** is responsible for carrying out the accreditation and preliminary qualification of suppliers.

The management of the process of contracting out television productions and acquiring formats and licences must be carried out in compliance with applicable national, European and/or international **rules and regulations** in force, with particular reference to offences remotely relevant for the purposes of Legislative Decree 231/01.

In contracting out television productions and purchasing formats and licences, the Entertainment Department operates according to the principles of lawfulness, fairness and propriety expressed in the **Code of Ethics**, paying particular attention to the provisions on conflicts of interest contained therein.

When commencing collaboration with a new supplier, the accreditation and certification process is managed by the Procurement Division through the dedicated department.

The Entertainment Department informs the relevant Purchasing Hub of the qualitative and quantitative targets for the television product to be purchased/produced.

At contractual level:

- there is a **specific clause** on guarantees and adherence to the Code of Ethics and compliance programme;

- there is a general **ban on subcontracting**, and where subcontracting takes place, certification of subcontractors is required.

The following obligations in terms of **contractual clauses** are also provided for:

- **compliance with the provisions of the law** in force on contributions and health and safety in the workplace pursuant to Legislative Decree 81/2008, as well as an indemnity in favour of R.T.I. with regard to all the obligations necessary for this purpose;

- compliance with the obligations laid down in current legislation on the **employment of staff who are non-EU nationals**;

- compliance with current **environmental regulations**.

Starting from 2021, a clause directed towards **verifying the supplier's obligations in relation to tax** and social security was also added.

Suppliers are always chosen with analysis of **sourcing models** that make best use of internal structures and skills.

About half of the suppliers/collaborators dedicated to entertainment content production are studios and/or agencies from across Italy, particularly around Rome and Milan, which ensure the services of actors, documentalists, directors, costume designers, set designers, directors of photography, choreographers, commentators, hosts or guests. The Entertainment and Music Business Affairs Department (for non-VIPs) and Artistic Resources Department (for VIPs) provide for the research and stipulation of contracts with the various artistic resources employed by the various Group companies. In 2023, the Entertainment and Music Business Affairs Department managed approximately **600** contracts relating to procurement, licensing and supply of services. With regard to artistic collaborations in the entertainment area, it finalised **16,481** contracts, plus **868** in the music sector.

In 2023, the Artistic Resources Department concluded **6,371** contracts for a total of **947** collaborators (including hosts, commentators, guests, reporters also in the News, Sport, Digital and Radio areas), continuing with action to contain costs and optimise performance.

Of these, about **35** are annual and/or long-term contracts relating to strategic artistic resources (the main faces linked to the most important broadcasting products in the programme schedule).

News - The Hard News area is based on **Tg5** and **Tgcom24**, while infotainment productions are handled by **Videonews**.

News - The category of suppliers for **News Rights** (transfer or acquisition of TV and internet rights) for material – videos and photos – of regional news, news, entertainment, and international are mostly Italian with the rest from European or non-European countries. These are small or medium-sized suppliers in most cases but also major suppliers (e.g. national and international press and video agencies). With regard to the purchase of **strategic sports broadcasting rights**, the management makes use of the purchasing centres headed by Mediaset (*Sports Rights Acquisition Management*) which participates in the calls arranged by events organisers/suppliers. The other purchases are followed by the same structures with the same logic as the news management.

In addition to these collaborations, the News area purchases **licences for technical materials** of various types, as well as **regional suppliers of materials** and lastly part of the purchases goes to press and video agencies.

Selection of suppliers, both for content and collaboration, is determined based on the broadcast needs of the programme, assessing the professional characteristics and experience of the collaborators.

Drama - The drama products featured in the MFE Group's broadcast offering are created through the use of independent third-party productions; this activity generated around **80 hours of finished product** over the whole of 2023, mainly for early evening slot programming on Canale 5.

The selection of independent producers is fundamentally based on the projects selected by the broadcaster. The broadcaster decides based on the broadcasting potential of the identified product, or on the congruence between the project examined and the broadcasting line of the Group.

Historically, drama productions are solely **Italian in origin**.

Furthermore, remaining on the topic of changes in the supply chain, it should be noted that the contractual template predominantly used in the past, or the **contracting template**, has gradually been replaced by **templates of co-production** and pre-purchase due to the new legislation on tax credits for audiovisual production, thus entering a residual category.

Digital - The total number of suppliers involved throughout the year for the various activities is about **192**, mainly resident in Italy, while some are from the United States, UK and other EU countries.

Given the speed of changes the digital sector is particularly prone to, selection of suppliers is always up to whichever partner companies demonstrate a marked predisposition to technological and product innovation.

Radio - The core activity of the MFE Group's radio hub consists in the production and issue of entertainment content and musical flows aimed at Italian radio listeners.

For the conduct of its business, it mainly relies on the service provided by **speakers**, **hosts** and **authors** employed for the creation and management of the programming schedule on broadcasters 105, Virgin Radio, R101, RMC and Radio Subasio.

These include 160 **Italian freelancers**, most of whom are known within the radio and television scene.

Most collaborators are Italian, but a limited number of foreign resources are also contracted.

The main radio content is Italian and foreign music, which is indirectly acquired from the **record companies**, with repayment of broadcasting rights via **collecting companies** specifically appointed for this purpose (SIAE, SCF, etc.).

The programming schedule produced and distributed by the broadcasters is "marketed" by the **advertising sales house** Digitalia 08 S.p.a., appointed on a national level by virtue of specific advertising concession agreements through the sale of space (commercials, mentions, etc.) to third-party investors.

The actual selection of suppliers takes place, first of all, through **constant market monitoring** and careful **assessment of company needs**, and their reliability is certified through a continuous **accreditation process**[29].

Offers are made, suppliers selected and services contracted according to the needs identified.

In the artistic field (mainly for speakers, hosts and guests), where each broadcaster uses different resources depending on the specificity of the radio business, target listeners and audience response, the main factors for the selection are the individual characteristics of each artist. More generally, the direction followed would be to make the selection both using the criteria for the dynamics of the competitive scenarios in which broadcasters act, and also via the parameters of adequacy and consistency of remuneration/contribution with the market prices of that particular professional category.

In addition to **broadcasting and creative activities**, there are also **technical activities** (low frequency and control room, carried out by employees) and the **distribution of the national signal** (high frequency) through stations (equipment and pylons) and radio relays spread over all regions of Italy. The maintenance of the stations (1838 between Radio Studio 105 spa, Virgin Radio Italy Spa, RMC Italia Spa, Monradio Srl, Radio Subasio Srl and Radio Aut Srl) and of the transmission equipment is entrusted to external professional maintenance technicians (local suppliers), a total of 86 maintenance companies. In addition to these maintenance service providers there are lessors who lease out the stations, a total of 265.

Procurement of Goods and Services - The Group in Italy operates exclusively with accredited third party suppliers registered on the **Vendor list**, checking preliminary details (company name, country of residence, address, etc.), overall corporate transparency (identification of the final beneficial owner), the level of concentration of revenues (monitoring whether this exceeds 50% threshold for a single customer), and the absence of pending issues concerning both the company and representatives connected with it.

Also for the year 2023 – despite the critical issues and difficulties connected with the international economic repercussions of war – the effort to streamline the **supplier accreditation process continued,** which involves greater and more in-depth checks on active suppliers, such as, for example, the questionnaire to verify the level of security suppliers offer in handling data exchanged with the Group (Cyber Security, in collaboration with the Technology Department).

Furthermore, the use of the **monitoring system for risks associated with suppliers** (Third Party Risk Management - TPRM) has been consolidated. Through analysis of various Key Performance Indicators (KPIs), grouped consistently in different risk areas, this allows Supplier Certification and Risk, in collaboration with the Category Managers, to maintain constant attention over time to the various risks borne by suppliers and appropriate actions to be taken to mitigate the risk itself.

[29] All suppliers are selected in compliance with the laws and regulations in force, such as Legislative Decree 231 and 81/08 and the ethical principles of the Group.

The **structured management process for subcontracts** tracked and managed on the Synertrade platform has been consolidated further by optimising document management.

Further **rationalisation of the supply chain** was carried out based on critical issues linked to expenditure, the regulatory complexity of the merchandise sector involved in the commercial relationship (e.g. suppliers that provide additional legal obligations), the type of contract (e.g. subcontract) and according to the employment of personnel (employees or direct contractors of the supplier or staff of third parties to whom the service is subcontracted).

Given the positive results obtained with the pilot **ESG project** (definition of the evaluation questionnaire, implementation planning process and evaluation of the results), launched in the second half of 2022, the panel of suppliers subject to ESG assessment was expanded with the same premises in 2023, involving around a hundred active suppliers, chosen from among those most relevant from a business perspective and with the product categories most at risk.

Analysis of the results obtained allowed us to launch an even broader supplier evaluation and involvement programme, to be implemented in 2024, for both Italian and Spanish MFE suppliers.

The general goal is **to make MFE suppliers aware** of the importance of environmental, social and governance issues to the Group and, consequently, to the entire supply chain (scope 3), tending over time towards a homogeneous ecosystem, through shared action to improve.

Use of the **Vendor Rating** has also been consolidated, also used to select the parties to be invited to tender and for the renewal of contracts of significant amounts.

In addition to the contractually required documentation, upon request when necessary, MFE has the right to request self-certification from the supplier, signed by the legal representative, for contracts involving work services (contracts) stating that the personnel employed in rendering the services are regularly hired, paid and insured, and ensuring compliance and correct fulfilment of all legal obligations regarding worker protection.

Lastly, the management of these processes aims to implement a gradual **turnover of suppliers** in order to diversify total expenditure over several parties, thus reducing their concentration and diversifying their risks.

MFE has also established that all suppliers must complete all registration phases including acceptance of the terms and conditions for using the platform, the privacy rules, the Group Code of Ethics and the Compliance Programme in order to be classified in the portal dedicated to them.

In the management of its supply chain, the **MFE Group in Spain** promotes **responsible practices** within its sphere of influence by transmitting **environmental, social and ethical standards** to its supply chain. Since 2010, contracts with suppliers to the MFE group in Spain have contained a clause that establishes their **commitment to respecting basic principles of sustainability**, namely: respecting workers' rights and union membership, refraining from using child labour, refusing any kind of slave labour, prohibiting any kind of discrimination, complying with the legislation on the prevention of risks at work, ensuring the safety of employees during working hours and prohibiting any conduct involving corruption, blackmail or extortion.

The contractors also declare that they comply with environmental regulations and promote the efficient use of limited resources such as energy, water and raw materials in the course of their activities. In this way, suppliers declare their commitment to ethical and responsible management.

With regard to the types of suppliers and the main items of expenditure relating to the MFE Group in Spain, there is a greater concentration in the **purchase of television broadcasting rights** and content, 26.6%, followed by **technological, professional and production services**, which together account for around 24.3%.

Technological services contracted are linked to the purchase of technical materials (essentially hardware, software, cameras, mixers, matrices, audio and video equipment).

Professional services consist mainly of maintenance and development of computer applications and consultancy and audit services.

Production services mainly refer to services of set design, lighting and subtitles.

Contracts with national suppliers cover the vast majority of goods and services purchases, where international suppliers correspond mainly to the negotiation of technological services.

The social impact of the Group

Advanced Training Initiatives

The MFE Group education programmes for people outside the Company, in order to develop skills linked with the world of commercial TV, continued in 2023 as in earlier years.

There was consolidation of the collaboration between **IULM University** and Mediaset to organise and manage the **Master's in Journalism**.

In addition to the **internships** that took place as part of the IULM Master's in Journalism, the company collaborates with several **journalism** schools all over the country (Università Cattolica, Università Statale di Milano IFG, Università di Torino - Giorgio Bocca master's, Università di Bologna - master's in journalism, Università di Bari - master's in journalism, LUMSA, LUISS, Napoli Suor Orsola Benincasa) and in 2023 it offered 27 students the possibility of an internship.

The MFE Group also offers its experience and professionalism via the **Master's in Marketing, Digital Communication and Sales Management**, which was established in 1988 by **Publitalia'80**.

Furthermore, the MFE Group has had ongoing **collaborations with leading Italian universities** for some years now, offering students of the main faculties opportunities for integrated **curricular internships** to complete their studies. During their internship experience, the young undergraduates are given the opportunity to experience the world of work while building professional relationships, interfacing with the organisational dynamics of the company and using the knowledge acquired during their studies to further hone the skills and experiences that will facilitate their entry into the labour market.

In 2023, the joint project between Operations Management and the Human Resources Department launched in 2022 continued, directed towards offering a professional training course to young graduates in the television production sector. The **"Scuola dei Mestieri"** (School of Trades) project was conceived as a tool to enable professional know-how to be handed down to future generations by capitalising on more senior figures involved as "master tradespeople", in a period characterised by a high age-related turnover within the Company, and in the technical and production areas in particular.

Initiatives aimed at the Community

MFE Group agencies receive daily information on philanthropic activities, events and initiatives by non-profit organisations and charitable associations for the protection and support of ethnic minorities, voluntary groups, and institutions of medical research.

In addition to this and given the Group's desire to put its communicative power and the skills of its collaborators at the service of the community, the **"Mediaset ha a cuore il futuro"** initiative was launched in September 2019: communication campaigns that operate according to an integrated multimedia scheme featuring TV and radio as well as digital and social media coverage give visibility to issues of national importance.

When talking about social initiatives for the community, mention must be made of the satirical programme ***Striscia la Notizia***, which always follows the issue of sustainability closely.

The programme promotes initiatives to protect the environment, through the reports in the **Ambiente Giovani** slot (in which very young 'scientific advisors' deal with activities or associations dedicated to protecting the environment) and food production, artisanal and organic, in the "**Paesi, paesaggi...**" and **Speranza Verde** slots by Davide Rampello and Luca Sardella respectively. The show has always been engaged in exposé, such as Stefania Petyx's reports on open dumps or arson in Sicily; there is also the weekly slot with Luca Galtieri's waste-fighting tour, in which the reporter involves students and teaching staff at hotel schools throughout Italy in preparing dishes made with leftovers.

Finally, the consolidated partnership between *Striscia la Notizia* and the **F.A.I.** (Italian Environment Fund) in the protection, preservation and enhancement of the Italian artistic and natural heritage is extremely important.

Radio too plays an important role in social initiatives directed towards the community.

In 2023 Radio 105, together with Regional Trenitalia, supported the activity of the Plastic Free non-profit. 184 cleanups, from North to South, promoted on air, online on board Trenitalia regional trains, with the "105 Save the Sea" awareness-raising campaign. For five Sundays in July, five Radio 105 speakers took part in the cleanups personally, sharing their experience through social media, radio and TV channels together with the passion and determination of the plastic-free volunteers. 4,520 people participated over the whole of July, removing 35,277 kg of plastic and waste from the environment: a major commitment to promoting the inclusiveness of human habitation, protecting the environment, biodiversity and ecosystems present in the area.

R101, on the other hand, was the Radio Partner of the "Pigiama Run" in 2023, the race of the Italian Anti-Cancer League that has everyone wearing pyjamas in solidarity with people who have to wear them every day due to long hospital stays, that is, young cancer patients.

On the **web**, a page dedicated to these projects was developed within the ***Mediaset Infinity*** site. In addition to gathering together all the material produced for the campaigns in chronological order, the aim of the dedicated space is to publicise brand-new contributions and in-depth information produced specifically for every topic focused on. It's a genuine archive, always up to date and open to consultation at any time, so that the contemporary nature of the problems addressed remains present.

We also wish to stress that sponsorship of **fundraisers for public and private bodies** (recognised by the state) is all certified by government associations (Civil Protection for Italy and AGIRE for the world). Many of these activities are also carried out through the support of *Mediafriends*, a non-profit organisation founded in 2003 as a tangible expression of the Company's vision of corporate social responsibility.

It is within this scenario that the Group takes to the field alongside **Mediafriends** and **Fabbrica del Sorriso** through its own agencies, in daytime packages on generalist networks or on *TGCom24*. Particular visibility is given to the projects to which Fabbrica del Sorriso is committed, not only upon presentation and during fundraising but also when the project is run and for the results from the initiative.

The "***Tg dei Ragazzi***", in collaboration with "*la Città dei Bambini e dei Ragazzi*" in Genoa, is another *TGCom24* educational partnership initiative to have been given visibility.

Publitalia'80 contributes to the social activities of the MFE Group through Mediafriends, providing advertising space that is used to promote fundraising mainly to support the identified charity initiatives. In addition to this, Publitalia'80 reserves some advertising space to initiatives that support scientific research, training and cultural activities.

During the year, about **5,642 spots** were broadcast related to social campaigns.

Publitalia '80 is a founding member of the **Fondazione Pubblicità Progresso**, along with the major players in communication in Italy. This foundation aims to contribute to solving the civil, educational and moral problems of the community by placing communication at the service of society.

In addition to paying a membership fee, the sponsoring members provide their work free of charge for the implementation of the Foundation's activities.

The Group's radio stations broadcast socially themed spots free of charge. This activity comes under the sub-concession contract in force between Radiomediaset, Monradio and Subasio and the Mediamond sales house.

Activities to support youth entrepreneurship - Also for 2023, **AD4Ventures**, the **MFE venture capital** project, confirmed its commitment to Italian youth entrepreneurship and, more generally, to choosing companies with a strong focus on sustainability.

The investment model involves taking stakes in digital startups in the consumer and retail areas, medium-sized and with high growth potential, through advertising campaigns in Italy and Spain in all Group media, TV, radio and digital properties.

The investment portfolio also extends beyond national borders provided that the companies have operations in the country.

With growth in reputation built up over the years, AD4Ventures has become an important reference point for every youth entrepreneurial concern not yet able to commit great economic resources to developing marketing campaigns. Beyond that, collaboration with institutions such as Fondo Italiano d'Investimento and CDP, fully active since 2022, now represents great legitimacy of its activity within the Italian entrepreneurial system.

Year by year, the Ad4Ventures business model (advertising in exchange for minority shares) means that it has become an essential reference point for every youth entrepreneurial concern for which access to major media (TV but also radio) is difficult or unattainable. It represents a concrete means of using the great communicative power of the Mediaset world to act as an amplifier for young, independent concerns with great potential.

AD4VENTURES INVESTMENT PORTFOLIO AS AT DECEMBER 31, 2023

satispay	Leading mobile payment solution
Colvin	On line flower delivery
BURNHARD	Gas grills and grill accessories
PASCOL	Sustainable meat from extensive farming
therapyside	Online therapy service
FABA	Interactive game audibox for babies
Grover	Rent technology
taxdown	Digital platform to file income tax return
WESTWING	Home furniture flash sales
PENSIUM	Nursing home care service
Impress	Leading company in the orthodontic industry
ByHours.com	Hotels by the hour around the world
Termo	Digital platform leader in HVAC
3travel	Customizable unique travel experience
MODDO	E-commerce customized serviced
mundimoto	Motorcycle rental
peoople	Social App

Exit

deporvillage	On line sporting goods shop
WESTWING	Home furniture flash sales (Only Italy)
REBELLE	Second hand luxury marketplace
Playspace	Online games
iSalud.com	Health Insurance comparator
La nevera roja	Online food ordering platform
FarMan	Online pharmacy
Jinn	Food delivery

The commitment of MFE in Spain to social welfare is reflected in the **12 Meses** project. Over 2023, its activities were directed mainly towards the most vulnerable groups in society (such as children), equality in every area and protecting the environment.

We would also highlight initiatives to promote the circular economy and women's rights as well as aid to the Ukrainian refugee population and support for the activities of the Spanish Federation of Food Banks.

This prevention and information activity was also made possible thanks to continuous exchange of ideas and opinions with various associations and non-profit organisations.

We would also highlight the creation of the **"Valor Mediaset"** brand in 2020, which aims to involve the most important advertising investors in Corporate Social Responsibility campaigns. These initiatives continued into 2023.

Finally, in 2023 Mediaset España guaranteed **free advertising space for NGOs** amounting to an estimated value of **5,6 million euros**.

COMMITMENT TO ENVIRONMENTAL PROTECTION

The Group's commitment to the environment is also referred to within the **Code of Ethics**[30], with special reference to the conduct and provisions on environmental protection, which highlight the central role of environmental protection as a key factor in the company.

The MFE Group is inspired by the principles of respect and protection of the environment and the local territory, and their impact on the health of humans and other living species. To achieve this goal, all MFE business activity complies with the **highest standards of compatibility and environmental safety**.

As proof of this commitment, the Group has adopted a specific Corporate Organisational Guideline (**O.G. "Requirements for environmental protection"**) which describes the activities carried out for the collection and disposal of waste produced, which is treated according to the principles of selective separation and recycling of waste wherever possible and as required by current laws and best operating practices.

EU taxonomy

Regulatory Context

Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020[31] introduced the classification and reporting system of the European Taxonomy to direct investments **towards activities defined as environmentally sustainable** in a language common to the main actors in the market, facilitating the transition to a **net-0-emissions** economy, more resilient to the effects of climate change and attentive to the use of resources.

For the purposes of this legislation, an activity that contributes substantially to achieving one or more of the **6 environmental objectives** without causing significant harm to any of the others is considered "environmentally sustainable". These objectives are:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and reduction
6. Protection and restoration of biodiversity and ecosystems

Specifically, for the purposes of this Regulation, to qualify as eco-sustainable and be considered **Taxonomy-aligned**, an economic activity must jointly satisfy a series of **conditions**:

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30 The specific provision has been confirmed in the new Code of Ethics adopted by the Group and its subsidiaries in 2019: Art. 26 (Environmental protection) "1. The MFE Group considers protecting the environment to be a key factor in the company and is inspired by the principles of respect for and protection of the environment and the local territory, due both to their intrinsic value and their impact on the health of humans and other living species. To this end, the MFE Group is committed to observing the regulations in force and works so that all its business activity complies with the highest standards of environmental safety and compatibility.

Particular attention is dedicated to the collection and disposal of waste produced by the company, which wherever possible is treated according to the principles of selective separation and recycling of waste, to reduce the impact on the environment to a minimum and as required by current laws and best operating practices."

31 European Parliament and Council, REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

- contributing substantially to one or more of the six environmental objectives referred to in Article 9 of the Regulation;
- complying with the technical screening criteria established by the Commission for each environmental objective;
- not causing significant harm to the other environmental objectives ("do no significant harm" principle);
- being carried out in compliance with the **minimum safeguards** (in line with the OECD guidelines and the United Nations/ILO guiding principles on business and human rights).

Pursuant to the regulatory requirements set out in the Delegated Act relating to Article 8 of EU Regulation 2020/852, the MFE Group is required to include information on how and to what extent its activities can be defined as eco-sustainable according to the EU Taxonomy in its Non-Financial Disclosure.

For this third year of application, the MFE Group has prepared a disclosure that includes the share of ***taxonomy-eligible* economic activities** and those that are not taxonomy-eligible, in relation to its turnover, capital expenditure and operating expenses. The MFE Group subsequently analysed the criteria set out in the Regulation and the technical annexes for all eligible activities identified (or 'taxonomy alignment'). The indicators indicated have been calculated on the basis of the indications contained in Annex 1 to Regulation (EU) 2021/2178, are based on the data currently available and the current interpretation of the legislation for the first two of the six environmental objectives and may therefore be subject to changes in the future.

The MFE Group approach

In line with the legislative requirements, both the "statistical classification of economic activities in the European Communities" (NACE) and the descriptions of the activities listed in Annex I and Annex II of the Delegated Climate Act 2021/4987 have been analysed to determine the eligibility of economic activities, regardless of whether one or all of the technical screening criteria are met.

The Group has prepared further analysis, following the **27 June 2023** publication by the European Commission of further annexes which establish the technical screening criteria in order to identify and determine eco-sustainable activities for the objectives referring to:

- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and reduction
- Protection and restoration of biodiversity and ecosystems

The typology of the Group's activities was compared with the list of new eco-sustainable activities defined by the European Commission. From this internal analysis, no MFE Group activities were found to be eligible for these objectives. Broadcasting (TV and Radio) and film production and distribution activities alone were instead **eligible** for the **climate change adaptation** objective. Adaptation activities can only be reported as "eligible" under Capex and Opex and must pass the criteria of substantial contribution to climate change adaptation to be eligible. The taxonomy-eligible economic activities identified are:

- **8.3** - Programming and broadcasting activities
- **13.3** - Film, video and TV programme production, music and sound recording activities

The Group's main revenue-generating activity, the sale of advertising space, is not among those identified as taxonomy-eligible.

The appropriate analyses were prepared on this basis also for 2023, to identify the financial information required by the Taxonomy and produce the economic KPIs of revenues, capital and operating expenses.

In 2023 too, finally, as required by the EU Regulation, MFE also assessed the alignment of the above activities, through specific analyses intended to verify: (i) technical criteria for a substantial contribution to climate change adaptation; ii) the absence of factors capable of causing significant harm to the rest of the environmental objectives (DNSH) and iii) compliance with the minimum safeguards envisaged by article 18 of Delegated Regulation 2020/852.

CRITERIA FOR SUBSTANTIAL CONTRIBUTION

As part of analysing the technical criteria for a substantial contribution to climate change adaptation, the physical climate risks aligned with the specifications described in Appendix A of the Taxonomy were analysed for the first time. The goal of these analyses was to verify the degree of resilience from the perspective of operational continuity of the operative structures for the Group's eligible activities in both Italy and Spain – the main geographical areas in which the Group operates – in relation to certain categories of significant risks identified among those included in the appendix to the Regulation that may significantly compromise the operability of physical and technological structures in the coming years and compromise the business continuity of the Group's activities. These analyses were performed through a risk and vulnerability climate change assessment, in order to identify the potential physical risks applicable to the organisation and their relative exposure. Specific tools were used to generate climate change forecast scenarios between 10 and 30 years. The analysis identified, in the most pessimistic cases with further increases in average temperatures, a high risk of hydrogeological phenomena near the areas where the Group's operational sites are located, and analysed the appropriate physical solutions already available to the Group.

MINIMUM SAFEGUARDS

The analysis of compliance with the minimum safeguards was performed with the goal of verifying the absence of cases of violations/disputes as at the date of this report, as well as the existence and effective application of governance models and procedures in line with those required by best practices and international reference frameworks, regarding: i) protection and respect for human rights, ii) prevention of corruption, governance and tax compliance offences, iii) compliance with fair competition rules.

The analyses performed did not identify any cases of violation or significant disputes with respect to the areas analysed. The activities also generally attested to an adequate level of supervision by the Group (governance and guidelines), which operates in regulatory and labour law contexts characterised by a high level of regulation.

In particular:

Human Rights: the MFE Group has always worked with a firm commitment to the protection of Human Rights, with organisational actions and safeguards that guarantee within its organisation, towards employees and collaborators, full respect and protection of the fundamental rights of individuals in accordance with the values and principles as expressed in its Code of Ethics. During 2023, the Group started a process of analysing the ESG positioning of certain categories representative of its supplier portfolio, with the aim of implementing a process of gradual adoption of ESG criteria to integrate its own evaluation and supplier selection models, also evaluating the adoption of suitable and functional human rights **due diligence** procedures, in order to identify, evaluate and manage the potential negative impacts caused by the normal development of its business along the entire value chain. Depending on the progress of these activities over the next year, and in anticipation of the expansion of the scope of stakeholders involved, the Group will evaluate the finalisation of a structured Policy in line with best practices and international reference standards in which the Group's commitment to respecting human rights will be formalised.

Corruption: the company has strict policies and procedures for the prevention of crimes of corruption, with particular reference in Italy to Compliance Programmes pursuant to Legislative Decree 231/01.

Taxation: MFE manages governance and tax compliance matters as key components in developing its business with an approach of continuous supervision.

Fair competition: the MFE Group operates in full compliance with the laws and regulations in force and commonly recognised ethical principles as described in articles 2, 20 and 23 of its Code of Ethics. In 2019, the Group also initiated a process to adopt a specific **Antitrust Compliance Programme**, understood as a system of rules predominantly directed towards preventing potentially significant conduct in terms of antitrust offences. After the Italian Antitrust Authority (AGCM) issued "*Antitrust Compliance Guidelines*", this activity led to the preparation of a specific *Antitrust Compliance Programme* in 2022, adopted by MFE at the beginning of 2023.

In 2023, in line with the sustainable broadcasting content development guidelines adopted, the Group is defining a shared model for correlating self-produced content and content in its multimedia offering with the 17 Sustainable Development Goals in the UN **2030 Agenda**.

This analysis was also performed in response to the regulatory requirement of the European taxonomy in order to identify the Group's own products and broadcast content able to increase the level of resilience or to contribute to the efforts of the public to adapt. To date, the indicators, determined solely by broadcast content "predominantly" focused on environmental issues and connected to "climate change", would not fully represent the complex activity of promoting and distributing such content that the Group offers in its role as a responsible, pluralist broadcaster. This is the case especially within other segments of the offering (mainly news and infotainment) which can be difficult to isolate and measure by their nature.

The Group will continue this process in order to define measures and indicators that represent its own social and environmental contribution provided on the basis of shares of programming.

Despite this, since a human rights policy (at the definition stage) has not yet been finalised as at the reference date of this report, the Group cannot confirm (as already indicated in the 2022 Report) compliance with the minimum safeguards within its scope.

Performance Indicators

KPI calculation methodology

In line with the requirements of the Taxonomy Regulation, the MFE Group performed analysis of the turnover, investments and operating expenses relating to the 2023 financial year, to calculate the required KPIs and further applicable regulatory references[32], as described below. Any cases of double counting in calculating the KPIs

[32] The analysis and calculation methodology for the KPIs were performed with particular reference to the interpretation of the information defined by Annex I of the "Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021" which supplements art. 8 of the Regulation (EU) 2020/852) and the document "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated

(Turnover, CapEx and OpEx) were avoided by using the data and information included in the Annual Report as of 31.12.2023.

Turnover[33] KPI

For the calculation of the turnover indicator, the consolidated net turnover was considered as the denominator in accordance with IAS 1.82(a). With respect to the numerator, on the basis of the considerations cited above and on the basis of the interpretation of the Taxonomy Regulation, only the turnover of companies with broadcasting activities (TV and Radio) and film production and distribution were considered eligible, economic activities considered eligible.

CapEx[34] KPI

For the calculation of the Capital Expenditure (CapEx) KPI, in line with the provisions of the applicable legislation, investments in television and movie broadcasting rights, changes in advances on rights, increases on the rights themselves and tangible and intangible fixed assets as detailed in the management report were taken into consideration in the denominator.

The denominator includes the movements relating to all the fully consolidated legal entities included in the scope of consolidation of the MFE Group, in particular, any acquisitions of tangible assets (IAS 16), intangible assets (IAS 38), and assets for user rights (IFRS 16).

As regards the numerator, only the movements described above relating to eligible legal entities were considered eligible. Therefore, the remaining part of increases in tangible and intangible fixed assets and user rights considered in the denominator were not considered as ineligible.

OpEx[35] KPI

To calculate the Operating Expenditure (OpEx) KPI, the denominator, in line with the provisions of the applicable legislation, was considered to be the totality of the non-capitalised direct costs linked to building renovation measures, short-term leasing and variable lease payments, maintenance and repairs as well as any other direct expense connected to the daily maintenance of property, plant and equipment, by the company or by third parties to whom these tasks are outsourced, necessary to guarantee the continuous and effective functioning of these assets. All operating costs that do not belong to the categories mentioned above have not been included.

With respect to the numerator, the costs included in the denominator relating to the companies of the legal entities considered eligible were considered eligible. In the denominator, the remaining part of the operating costs of the legal entities were therefore not considered as ineligible.

The proportion of eligible and non-eligible activities for the year 2023 is indicated on the basis of the criteria defined above. With respect to the turnover indicator for eligibility, the analysis was 7%, in relation to CAPEX, 99%, and OPEX, 59%[36]. In relation to alignment, given the circumstances described above, these three indicators have a value of 0% (see the following tables for further details).

Act under Article 8 of the EU Taxonomy Regulation on the reporting of eligible economic activities and assets" published on 2 February 2022.

[33] The financial data included in this KPI correspond to the Group's net revenues included in the Annual Report as of 31 December 2023: Paragraphs 6.1 and 6.2

[34] The financial data included in this KPI correspond to the increases in fixed assets included in the 2023 Annual Report: Paragraph of the Cash Flow Statement

[35] The financial data included in this KPI is included in the consolidated operating costs included in the 2023 Annual Report: Paragraph 6.4, this value cannot be directly derived within the breakdown used by the MFE Group as the individual natures do not all have the same degree of significance.

[36] The economic values on which calculation of taxonomy KPIs is based have been taken from the MFE Group's consolidated financial statements as at 31/12/2023 prepared in accordance with the IAS/IFRS. For further information on the accounting procedures adopted by the Group, please refer to Chapter 2 ("Basis of presentation and accounting principles for the preparation of the financial statements") of the Supplementary Note to the aforementioned documents.

				Substantial contribution criteria						DNSH criteria (h)									
Economic activities (1)	Code (a) (2)	Absolute turnover (3) € mio	Proportion of turnover (4) %	Climate change mitigation (5) Y; N; N/EL; (b)(c)(f)	Climate change adaptation (6) Y; N; N/EL; (b)(c)(f)	Water and marine resources (7) Y; N; N/EL; (b)(c)(f)	Circular economy (8) Y; N; N/EL; (b)(c)(f)	Pollution (9) Y; N; N/EL; (b)(c)(f)	Biodiversity and ecosystems (10) Y; N; N/EL; (b)(c)(f)	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year N-1 (18) %	Enabling activity (19) E	Transition activity (20) T
A. TAXONOMY-ELIGIBLE ACTIVITIES %																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of Environmentally sustainable activities (Taxonomy-aligned) (A.1) (d)		0	0%	-	N	-	-	-	-	Y	-	Y	Y	Y	Y	N	0%	E	-
Of which enabling		0	0%	-	N	-	-	-	-	Y	-	Y	Y	Y	Y	N	0%	E	
Of which transitional		0	0%							Y	-	Y	Y	Y	Y	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(A.2)																			
Programming and Broadcasting activities (e)	CCM 8.3	92.1	3%														6%		
Motion Picture, Video and Television Programme Production, Sound Recording and Music Publishing activities	CCM 13.3	98.0	3%														1%		
Total (A.1 + A.2)		**190.1**	**7%**														**7%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy non-eligible activities (B)		2620.8	93%																
TOTAL (A + B)		**2,810.8**	**100%**																

Non-taxonomy-eligible activities (B) include, among others, activities related to the sale of advertising space and the management of television and radio transmission equipment in Italy.

Economic activities (1)	Code (a) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	DNSH criteria (h): Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year N-1 (18)	Enabling activity (19)	Transition activity (20)
		€ mio	%	Y; N; N/EL; (b)(c)(f)	Y; N; N/EL; (b)(c)(f)	Y; N; N/EL; (b)(c)(f)	Y; N; N/EL; (b)(c)(f)	Y; N; N/EL; (b)(c)(f)	Y; N; N/EL; (b)(c)(f)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES %																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of Environmentally sustainable activities (Taxonomy-aligned) (A.1) (d)		0	0%	-	N	-	-	-	-	Y	-	Y	Y	Y	Y	N	0%	E	-
Of which enabling		0	0%	-	N	-	-	-	-	Y	-	Y	Y	Y	Y	N	0%	E	
Of which transitional		0	0%							Y	-	Y	Y	Y	Y	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
CapEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(A.2)																			
Programming and Broadcasting activities (e)	CCM 8.3	308.3	66%														90%		
Motion Picture, Video and Television Programme Production, Sound Recording and Music Publishing activities	CCM 13.3	152.0	33%														7%		
Total (A.1 + A.2)		**460.3**	**99%**														**97%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy non-eligible activities (B)		6.1	1%																
TOTAL (A + B)		**466.4**	**100%**																

Non-taxonomy-eligible activities (B) include, among others, activities related to the sale of advertising space and the management of television and radio transmission equipment in Italy.

Economic activities (1)	Code (a) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	DNSH criteria (h): Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year N-1 (18)	Enabling activity (19)	Transition activity (20)
		€ mio	%	Y; N; N/EL; (b)(c)(f)	Y; N; N/EL; (b)(c)(f)	Y; N; N/EL; (b)(c)(f)	Y; N; N/EL; (b)(c)(f)	Y; N; N/EL; (b)(c)(f)	Y; N; N/EL; (b)(c)(f)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES %																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of Environmentally sustainable activities (Taxonomy-aligned) (A.1) (d)		0	0%	-	N	-	-	-	-	Y	-	Y	Y	Y	Y	N	0%	E	-
Of which enabling		0	0%	-	N	-	-	-	-	Y	-	Y	Y	Y	Y	N	0%	E	
Of which transitional		0	0%							Y	-	Y	Y	Y	Y	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
OpEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(A.2)																			
Programming and Broadcasting activities (e)	CCM 8.3	55.9	45%														54%		
Motion Picture, Video and Television Programme Production, Sound Recording and Music Publishing activities	CCM 13.3	18.5	15%														0%		
Total (A.1 + A.2)		**74.4**	**59%**														**55%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy non-eligible activities (B)		50.9	41%																
TOTAL (A + B)		**125.3**	**100%**																

Non-taxonomy-eligible activities (B) include, among others, activities related to the sale of advertising space and the management of television and radio transmission equipment in Italy.

Notes to the tables

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

— Climate Change Mitigation: CCM

— Climate Change Adaptation: CCA

— Water and Marine Resources: WTR

— Circular Economy: CE

— Pollution Prevention and Control: PPC

— Biodiversity and ecosystems: BIO.

Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated.

(b) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective

N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of Turnover/ Total Turnover		**Proportion of CapEx / Total CapEx**		**Proportion of OpEx / Total OpEx**	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**
CCM						
CCA		7%		99%		59%
WTR						
CE						
PPC						
BIO						

(d) The same activity may align with only one or more environmental objectives for which it is eligible.

(e) The same activity may be eligible and not aligned with the relevant environmental objectives.

(f) EL - Taxonomy eligible activity for the relevant objective

N/EL - Taxonomy non-eligible activity for the relevant objective.

(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution - Y/N and N/EL codes instead of EL and N/EL and (b) for DNSH – Y/N codes.

Management of electromagnetic emissions

The MFE Group in Italy[37] has always been committed to **respecting the sector legislation** on electromagnetic emissions.

Elettronica Industriale S.p.A., a subsidiary of the MFE Group, is required to present documentation to the local authorities certifying compliance with the field limits of plants for the installation of new plants or for the modification of existing plants.

In 2023, 352 requests were made to modify plants, compliant with current regulations, including compliance with the population exposure limits for electromagnetic fields.

These activities allow the Group to monitor the impact generated by any changes made to the plants throughout the area while guaranteeing the absence of any negative effects deriving from radio-television signal emissions. The applications must obligatorily contain all electromagnetic impact assessments of the plants subject to the authorisation request.

The **Electromagnetic Impact Analysis (EIA)** for larger plants are extremely thorough and include "pre-existing electromagnetic background" levels and the impact of that individual plant. The reference standards for the Electromagnetic Impact Analysis are those reported in Law 36/2001 and include the maximum permitted levels to which the population can be subjected[38].

Furthermore, while complying with regulatory limits, Elettronica Industriale S.p.A. continuously assesses any specific provisions set by individual municipalities as well as any indications of any provincial, state and international location plans for transmission sites.

As regards the assessment of the overall impact of the transmission sites (within which Elettronica Industriale S.p.A. plants also operate), the role of the **ARPA departmental agencies (Regional Agency for Environment Protection)** must also be taken into consideration, which is responsible for monitoring activities through periodic analysis and sampling of the plants, with particular attention to more prone units of the company.

As part of managing relations with public bodies, Elettronica Industriale S.p.A. always provides absolute availability for inspections and collaborates with the ARPA, even in a preventive manner, using comparison activities during meetings with those public bodies.

The most sensitive plants have been monitored in recent years by the regional agencies (ARPAs) without penalties being imposed on Mediaset for failure to comply with the limits.

During 2023, the Regional Environmental Protection Agencies carried out 6 inspections including one inspection on a critical location due to the high powers transmitted or the proximity of homes to the transmission facilities. In all cases, the Group's facilities were found to be in compliance with current regulations on the protection of the public from electromagnetic fields.

The equipment managed by the **RadioMediaset** company is generally housed at stations that it does not own.

The appointed RadioMediaset Office independently, or with the support of specialist companies and/or the tower operator itself, provided with the technical documentation necessary, draws up the applications to present to the local authorities for authorisation to change existing equipment and/or activate new equipment.

37 The issue of electromagnetism is taken into consideration only in Italy as the MFE Group in Spain does not directly manage the signal transmission network.

38 The maximum exposure limits allowed by current legislation are 20 V/m in public places (see also par. 3.3) with a caution threshold of 6 V/m near housing and places frequented continuously (at least 4 hours per day).

The procedure adopted by the Group for the radio station in order to monitor electromagnetic pollution and safeguard the community is divided into the following activities:

- Execution of an Electromagnetic Impact Analysis (EIA) for each plant it intends to install ex novo or whose emission characteristics are to be modified by specialised third-party companies and personnel in possession of the qualifications required by current legislation, in order to ensure compliance with the exposure limits, attention thresholds and quality objectives for electromagnetic emissions as required by current legislation;
- Selection and contracting of the aforementioned counterparties in line with the provisions of the current company guidelines;
- Submission of the request for installation and operation of radio equipment (including the aforementioned EIA) to the Single Contact Point for Productive Activity (SUAP) of the municipality responsible for that area by a company lawyer or by the company/professional who carried out the aforementioned analysis, by delegation of a company representative;
- Assessment of the EIA by the Regional Agency for Environmental Protection (ARPA) for that area. Issue of the authorisation for installation and operation of radio equipment by the competent Municipality, subject to obtaining permission from the local ARPA;
- Continuous monitoring of the operation of Group radio equipment by dedicated department via verification of the data acquired by the equipment through telemetry. Where anomalies are detected that could cause the equipment to operate at higher energy levels than those envisaged, the department will promptly alert the competent maintenance companies in order to resolve any anomalies found;
- Periodic checking on the operation of the systems by specifically contracted maintenance companies;
- In recent years, a complete mapping of all the radio equipment managed by the MFE Group in Italy was performed by a specialised third-party company, aimed at assessing the risks pertaining to individual systems and preparing the related RADs (Risk Assessment Documents). Measurements were carried out on the overall level of electromagnetic emissions from the stations where radio equipment operated by the Group is installed in Italy (these were cumulative measurements, bearing in mind that there may be several systems belonging to various radio companies at a single location) and, where necessary, measurements on the emissions level of the Group's systems (narrow measurements), in order to ensure compliance with the electromagnetic emission threshold imposed by current legislation. Where anomalies were detected, installers/maintenance technicians were promptly alerted to resolve them.

During the 2023 financial year, 13 SCIA start of activity communications for equipment to be activated at existing structures/antennas or equipment lower than 20 W were submitted to the ARPA and 7 applications for authorisation for equipment exceeding 20 W, for a total of 20 assessments (EIA), joined by 1 test report (post activation-checks requested by the authority).

The ARPA carried out 2 monitoring operations (periodic checks on the territory by the authority) during the reference year involving 2 sites, for a total of 7 systems. Through the monitoring, the ARPA identified non-compliance with the limit envisaged at 1 site due to multiple exposures. This involved 3 managed systems and others belonging to third parties, for which assessments with a view to joint total restoration are still underway.

In 2023, 1 financial penalty was issued for collusion with third parties in exceeding the limits and values referred to in the Prime Ministerial Decree of 07.08.2003 relating to the year 2021. The Office has filed a request to relocate the systems involved. There was 1 Injunction for payment of a pecuniary administrative sanction relating to a 2020 notification report for failure to communicate possession of the LR 29/93 Veneto system in 2012. The Office also gathers the data for drawing up the Risk Assessment Document, including the electromagnetic field levels, which allow appropriate interventions for remedying the most important issues to be identified and developed, for a 2023 total of 603 checks with measurements and 540 Plant Risk Assessment Documents prepared, of which 344 were updates.

There were no risks to station workers since the electromagnetic levels detected are completely within the thresholds prescribed by law.

In any case, in an effort to further reduce risk, the power of the transmitting plants is reduced during any work at height on the pylon/pole, thus keeping the exposure of workers to electromagnetic fields to a minimum.

Waste Management

In order to minimise its impact on the local territory, the MFE Group, including foreign investee companies, constantly monitors its consumption of raw materials and the waste produced by its activities.

The Group mainly produces waste connected to its specific activity, such as mixed packaging materials, toner, electrical and electronic equipment and bulky waste (e.g. sets), and hazardous waste composed of materials from ordinary maintenance activities (e.g. neon lights and batteries). Lastly, it is worth mentioning the possible production of hazardous waste due to the hospital service.

WASTE BY TYPE (TONs)	2023	2022
Bulky Waste	332	483
Mixed-Material Packaging	493	424
Plastic	6	17
Broken equipment, other than that indicated in 16 02 09 to 16 02 13	129	134
Paper and Cardboard Packaging	61	69
Other (hazardous)	9	5
Other (non-hazardous)	141	125
Total	**1,171**	**1,256**

All the waste produced is managed in compliance with current Italian environmental regulations, and the collection process is managed by means of special containers approved for each specific type of waste.

The MFE Group also adopts control activities with respect to the administrative management of waste, through the **supervision of the transport and disposal process**, coordinating with the supply companies in compliance with the terms established by law.

The verification of authorisations and administrative management of waste pursuant to the law for Italian offices is carried out through a third-party specialist consultancy company that carries out, in addition to the activities of audit on waste management, also the compilation of mandatory registers.

It should also be noted that, within the company, there has always been **separate collection of waste**.

During 2023, the Group produced approximately 1,171 tons of waste, a reduction compared to 2022 in correlation with the technological composition of the film sets. Hazardous waste constitutes a minimal part (about 2% of the total waste produced), managed according to the ADR protocol (Accord Dangereuses Route).

It should be noted that during 2023 in the company break areas, plastic cups and accessories were eliminated, replacing them with similar eco-sustainable items. The plastic reduction project foresees further phases in the coming years.

Waste divided by Type and Disposal Method (metric tons) for the MFE Group

	2023			2022		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Recycle	18	30	49	7	47	54
Composting	-	-	-	-	-	-
Recovery[*]	8	1,114	1,121	4	1,195	1,199
Dump[**]	-	-	-	-	3	3
Other	-	-	-	-	-	-
Total	**26**	**1,144**	**1,171**	**11**	**1,244**	**1,256**

[*] Including recovery through energy production R-13 – R-5.

[**] Preliminary deposit before one of the operations referred to in points D1 to D14 (excluding temporary deposit, before collection, in the place where they are produced)

The **MFE Group in Spain** monitors the consumption of paper, CDs and toners in all its offices. This monitoring focuses specifically on the Fuencarral and Villaviciosa offices in Madrid, where all activities related to audiovisual production are concentrated, and involves around 94% of the workforce.

In 2023, all waste generated by the MFE Group in Spain was managed appropriately, promoting recycling activities according to national legislation.

In 2023, the MFE Group in Spain continued with work to eliminate non-biodegradable plastic waste in the canteen and adjoining bar, continuing to implement separate waste collection, as in the rest of the company.

In compliance with the regulations governing hazardous and non-hazardous waste, the Group has appointed a specialised third-party company for its management.

Waste electrical and electronic equipment is managed by technical warehouse workers, while organic waste produced by the canteen is collected and separated by kitchen personnel according to the type of material.

Hazardous waste included batteries, fluorescent tubes and printer material.

Management of Energy Consumption and Emissions

The main energy sources used by the MFE Group, both in Italy and in Spain and in the other foreign subsidiaries, for the performance of its activities are divided into four types: electricity, natural gas, diesel and petrol.

The largest percentage of energy consumption is due to **electricity**, used mainly for the power supply and operation of offices, studios and radio stations, including servers, data centres and technologies for the continuity of technical equipment, as well as air conditioning and lighting of the Group's facilities.

During 2023, a total of about 283 TJ of electricity was consumed, about 9% less than in 2022. Electricity and gas emissions 2023, down compared to 2022, show the results of the consumption rationalisation actions implemented mainly on the radio network and on company buildings. In addition, part of these reductions can be attributed to more favourable climatic seasons.

In Spain, as in Italy, consumption is mainly due to the technical equipment of the studios, including recording, transmission and post-production equipment, as well as computer equipment and air conditioning in the computer rooms.

During 2023, with regard to the consumption described above, the activity aimed at achieving greater efficiency continued, especially through the replacement of energy inefficient equipment.

In particular:

- replacement of high-consumption lights with more efficient led lights for television studios;
- replacement of obsolete computers and printers, favouring models with a lower environmental impact;
- installation of new solar panels on buildings.

A project to build **photovoltaic systems** for self-production has also been launched in Italy at the Group's headquarters in **Cologno Monzese**, which will start producing energy by the end of 2024.

The fuel consumption (petrol and diesel) of the MFE Group, in 2023, amounted to 25 TJ, mainly attributable to the company's machinery fleet and to some generators. The MFE Group's corporate fleet in Italy consists of long-term rental cars and a specific owned car fleet in Spain.

Natural gas is used for the heating of some offices, production areas and laboratory and warehouse studios and represents 8.3% of the total energy consumed.

To reduce emissions as much as possible and raise awareness among its employees, the MFE Group in Italy and Spain offers its staff a **shuttle service** that connects the company's facilities with metro stations, over a wide range of hours, in order to encourage greater use of collective means of transport.

About initiatives on the car fleet, in Italy the Group's commitment to fleet sustainability continues through the progressive replacement of endothermic vehicles with new electrified cars (plug-in hybrids or full electric) and the creation of charging infrastructures in the offices.

In this regard, we highlight that the vehicle fleet held by the MFE Group in Spain includes 1 minibus for the transport of employees and a fleet of cars for long-term rental, for the exclusive use of the group's executives, consisting of 21 diesel, 13 petrol and 21 hybrid cars.

Energy Consumption within the Group by Source (TJ)[*]

	2023	2022
Electricity purchased	283	311
Natural gas	28	30
Diesel	21	23
Petrol	4	4
Total	**336**	**368**

[*] Source: Lower Calorific Value of natural gas equal to 0.034 GJ/m3, Lower Calorific Value of diesel oil equal to 42.85 GJ/ton, average density of diesel oil 0.84 kg/litre, Lower Calorific Value of petrol equal to 43.13 GJ/ton, average density of petrol 0.74 kg/litre (Sources: NIR: Italian Greenhouse Gas Inventory 1990-2017 - National Inventory Report 2022).

Greenhouse Gas Emissions (TONS of CO_2) for the Group [*]

	2023	2022
Scope 1[**]	3,743	3,824
Scope 2[**] - Location-based	24,183	26,398
Scope 2[**] - Market-based	1.39	0.59

[*] Scope 1 emissions are expressed in tons of CO_2 equivalent. Scope 2 emissions are expressed in tons of CO_2, however the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO_2 equivalents) as can be inferred from the reference technical literature.

To provide a more meaningful representation of the MFE Group's Scope 1 emissions, the source of the emission factors used for the calculation was updated during the year. For the figures published previously, please refer to the 2022 Sustainability Report published in the "Sustainability" section of the mfemediaforeurope.com website.

[**] 2023 data: Natural gas emission coefficient of 2.03839 kg CO_2e/Sm3, diesel emission coefficient of 2.51206kg CO_2e/l, petrol emission coefficient of 2.09747 kg CO_2e/l (source: DEFRA 2023. UK Government - GHG Conversion Factors for Company Reporting).

2022 data: Natural gas emission coefficient of 2.01574 kg CO_2e/Sm3, diesel emission coefficient of 2.55784 kg CO_2e/l, petrol emission coefficient of 2.16185 kg CO_2e/l (source: DEFRA 2022. UK Government - GHG Conversion Factors for Company Reporting).

In 2023, the Group's activities generated greenhouse gas emissions due to direct energy consumption (natural gas, petrol and diesel) and indirect energy consumption (electricity) of the Group itself. In particular, a high proportion of the greenhouse gas emissions are due to **Scope 2** emissions, for which MFE is indirectly responsible, as it derives from the electricity supply purchased externally. However, the zero contribution of the Group to this type of emissions (according to the Market-based approach) is noteworthy, since all electricity of the Group is covered by certificates of guarantee of origin i.e. from renewable sources.

The reporting standard used (GRI Sustainability Reporting Standards 2016) provides for two different approaches to calculating Scope 2 emissions: "location-based" and "market-based". The "location-based" approach envisages the use of a national average emission factor related to the specific national energy mix for the production of electricity (emission coefficient used for Italy of 315 gCO_2/kWh and for France of 56 gCO_2/kWh - Source: TERNA, International Comparisons 2023). The "Market-based" approach envisages the use of an emission factor defined on a contractual basis with the electricity supplier. Given the absence of specific contractual agreements between MFE Group in France and the electricity supplier (e.g. purchase of Guarantees of Origin), the emission factor relating to the national "residual mix" was used for this approach (emission coefficient used of 125 gCO_2/kWh - Source: Association of Issuing Bodies, European Residual Mixes 2021, 2022).

Finally, the direct emissions of **Scope 1** generated directly within the Group due to the use of fuels for heating, generators and the car fleet amount to approximately 3.743 tCO_2eq.

Since 2023, emissions in Italy have been monitored and reported according to the **GHG Protocol standards**, whose conformity is validated by a third-party certifying body.

It should be noted that the **MFE Group in Spain** identifies, measures and manages its emissions and establishes appropriate measures for their reduction. In addition to quantifying the emissions generated, the company also makes this information public, which demonstrates its degree of awareness and transparency in this sector. The commitment of the MFE Group in Spain to transparency is reflected in its participation in the **Carbon Disclosure Project (CDP)** initiative since 2009, with which the Group agrees to publicise its objectives and the methods implemented to reduce greenhouse gas emissions.

ADDITIONAL INFORMATION

TECHNOLOGICAL INNOVATION AND DEVELOPMENT

In late 2022, a new Technology Transformation business unit was created within the Group's Technology Department to identify and promote opportunities to implement new technologies within the company and ensure cross-area governance of technological innovation projects. To achieve these goals, the Technology Transformation unit acts in cooperation with the Group's other departments (Strategic Marketing, AdTech, Business Digital, Operations) and identifies working priorities according to business needs.

In 2023, the organisational unit consolidated its activities.

In this sense, the business needs in terms of innovation were collected and the following project lines were identified and developed:

- Adopting artificial intelligence solutions to pursue business process efficiencies (5-6 use cases identified).
- Launching a DVB-I market trial.
- Testing 5G technology in contribution and broadcasting.
- Using clouds to increase the flexibility of the production process.

Moreover, the following activities were continued from previous years:

- Creating prototypes or proof of concept for the development and validation of emerging technologies useful for the development of core business or for the innovation of the Group's organisational processes.
- Participating in defining technical specifications and commercial requirements with international television standardisation bodies. DVB Project[39]; EBU[40]; SMPTE[41]
- Having a presence within domestic and international associations for draft and publishing technical specifications for TV receivers: HDFI[42]; CRTV[43]; FAME[44].
- Participating in regulatory and EU round tables for the development of digital television in Italy and Europe.
- Providing technological support for training, information-gathering and dissemination concerning the company's primary trends in technological innovation.
- Researching the technological context of the media world with the aim of outlining development scenarios with national and international research observatories.

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[39] DVB Project: Digital Video Broadcasting Project

[40] EBU: European Broadcasting Union, specifically 5G-Media Action Group (5G-MAG)

[41] SMPTE: Society of Motion Picture & Television Engineers

[42] HDFI: HD Forum Italia

[43] CRTV: Confindustria Radio Televisione

[44] FAME: Forum on Advanced Media in Europe

Projects and Experiments in 2023

AI trials

Specifically regarding AI activities, Technology Transformation has completed an RFQ with the participation of 5 leading integrators as well as scouting of the most appropriate hyperscaler to meet the identified business needs.

Partners were selected in June 2023 and work began on building an application that can:

- Identifying the best times to play adverts with a view to improving the content user experience;
- Tailor ads to content;
- Enhance content metadata, particularly with regards to logos, actors and objects.

The solution prototype will be completed during the first six months of 2024.

In parallel, trials have been commenced into generative AI.

In this respect, work has begun on a protype of an interface that can:

- look up and summarise documents in the legal archive;
- summarise operational marketing communications addressed to the sales force;

Completion of PoC-1 of the DVB-I standard[45]and initiation of a trial scheme with the Italian general public:

After the validation and testing of the DVB-I standard was completed with the development of a technological proof of concept (PoC) in July 2022, and in light of the positive results obtained for all tested used cases, it became necessary to trial the functional requirements and the trialled use cases with actual end users through actual DVB-I services deployable on TV receivers that would be brought to market

To this end, a market trial was launched during the 3rd quarter of 2023 to field test the entire end-to-end supply chain of this emerging IP network-based linear TV distribution platform.

While the National DVB-I Market Trial aims to field test the use cases developed by Mediaset since 2020 and fine-tuned in PoC 1, there is also an understanding that the research and trial phase must continue with a set of new use cases developed according to emerging business needs, especially in terms of integrated Targeting Advertisement services for DTT and DVB-I as well as other developments to enhance quality of service (QoS) and user experience (Ux), which are necessary for the proper development of the new platform. It is with this in mind that the field trial has been accompanied by a new lab-developed PoC 2 with the aim of optimising the evolutionary phase of the National Trial between 2024 and 2025.

During 2023, the results obtained by Mediaset in PoC 1 were presented and discussed at multiple international events together with other project partners. The DVB-I pilot used in Mediaset’s National Trial and containing all developments from PoC 1 appeared at various international trade fairs and sectoral events including: IBC in Amsterdam (Sept 2023), HbbTV Symposium in Naples (Oct 2023), HDFI Innovation Day in Milan (Nov 23).

Mediaset's DVB-I Trial was also presented and demonstrated to the Italian Communications Authority (AgCom) and national industry associations such as: Confindustria Radiotelevisione (CRTV).

Also in 2023, activities continued to technologically support and consolidate the DVB standard, as well as the HbbTV 2.0.4 standard, which was published in 2023.

[45] DVB-I: Digital Video Broadcasting over IP network. This is the new IPTV standard.

The PoC and Mediaset's DVB-I Trial actively contributed to the publication, in December 2023, of: UHD Book vol 2.1, an update to the National Technical Specification Volume for TV Receivers, published by HD Forum Italia in collaboration with Confindustria Radiotelevisione (CRTV). The publication brings together the results of DVB-I trials, which have led to upgrades in the IP2 specification (R5).

5G trials

RTI, in partnership with EI Towers and Vodafone, was awarded the Ministry of Economic Development contract to test 5G technologies in the areas of both broadcasting and contribution.

The project was launched in September 2023 and will conclude early in the second half of 2024

Using clouds to increase the flexibility of the production process.

In 2023, RTI completed its feasibility study into the adoption of cloud technology in post-production.

A trial was carried out to assess the suitability of modern cloud solutions for performing post-production tasks remotely. An initial PoC was built in December 2023 to test the post-production of a short production.

It was then decided to extend technology scouting by testing cloud technology post-production on longer productions during 2024.

CORPORATE GOVERNANCE REPORT

Introduction

MFE - MEDIAFOREUROPE N.V. (the 'Company' or 'MFE') is a joint stock company under Dutch law (Naamloze Vennootschap) with two branch offices, one in Cologno Monzese (Milan), Italy, Viale Europa 46 and one in Spain, in Madrid, Carretera de Fuencarral a Alcobendas, 4.

The Company has its tax residency in Italy. It has been listed on Mercato Telematico Azionario since 1996 (Euronext Milan since 25 October 2021) managed by Borsa Italiana S.p.A., the company that organises and manages regulated Italian markets (the "Italian Stock Exchange"). As of 14 June 2023, MFE 'A' ordinary shares are also listed on the Spanish stock exchanges in Barcelona, Bilbao, Madrid and Valencia, organised and managed by the respective market management companies (Sociedades Rectoras de las Bolsas de Valores).

Following the transfer of the registered office to the Netherlands (the "Transfer") completed on 18 September 2021, the company elected the Netherlands as its home member state, for the purposes of Article 2(1) of the Transparency Directive (Directive 2004/109/EC), informing the market pursuant to Article 5:25a(3) of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

As a company based in the Netherlands, MFE is subject to the Dutch Corporate Governance Code ("DCGC"). On 20 December 2022, the Corporate Governance Code Monitoring Committee published the update of the 8 December 2016 version of the DCGC. The new code (available in an unofficial English translation at the following web address: https://www.mccg.nl/publicaties/codes/2022/12/20/dutch-corporate-governance-code-2022) entered into force on 1 January 2023.

The purpose of the DCGC is to facilitate an effective and transparent system of controls and balancing in listed companies and, to this end, govern relations between management and control boards and shareholders (including the Shareholders' Meeting).

The DCGC is intended for companies that have opted for a two-tier corporate governance structure, in which management and control of company operations are assigned to a management board and supervisory board respectively.

The DCGC also applies to companies that only have a Management Board (one-tier governance structure). In this case, the management board comprises executive directors and non-executive directors and the latter carries out controls on the management activities of the executive directors.

MFE-MEDIAFORUROPE N.V. Corporate bodies

SHAREHOLDERS' MEETING

BOARD OF DIRECTORS

Fedele Confalonieri (m)
Pier Silvio Berlusconi (m)
Stefania Bariatti (f)
Marina Berlusconi (f)
Marina Brogi (f)
Raffaele Cappiello (m)
Costanza Esclapon de Villeneuve (f)
Giulio Gallazzi (m)
Marco Giordani (m)
Gina Nieri (f)
Danilo Pellegrino (m)
Alessandra Piccinino (f)
Niccolo' Querci (m)
Stefano Sala (m)
Carlo Secchi (m)

Audit Committee	Nomination and Remuneration Committee	Environmental Social and Governance Committee	Related Parties Transactions Committee	Executive Committee

INTERNAL AUDITOR

EXTERNAL AUDITOR

Board of Directors

Nomination and composition

MFE opted for the one-tier governance system, with only a Management Board. Operations, carried out by Executive Directors, are controlled by Non-Executive Directors. With this system, there is no independent control body.

Pursuant to the Articles of Association, the Board of Directors comprises one or more Executive Directors and one or more Non-Executive Directors. The exact number of Directors, as well as the number of Executive and Non-Executive Directors, is decided by the Board of Directors. The majority of members of the Board of Directors must be Non-Executive Directors.

In accordance with the Articles of Association of the Company, the Directors are appointed by the General Shareholders' Meeting. The appointment of each Director may not last for more than four years. The term of office may not run beyond the end of the first annual Shareholders' Meeting held in the fourth year following the appointment, unless the director steps down or is removed from office beforehand.

The current Board of Directors comprises 15 Directors, elected by the General Shareholders' Meeting of 23 June 2021, before the Transfer. The term of office is for three years and will last up to the date of the General Shareholders' Meeting that will approve the financial statements of the Company for the year ended 31 December 2023.

The Board, with the Transfer taking effect, confirmed Fedele Confalonieri as Chairman and Pier Silvio Berlusconi as Chief Executive Officer.

The Board also confirmed Marco Giordani as Chief Financial Officer and Emanuela Bianchi as Secretary of the Board of Directors.

The Board of Directors comprises the following persons:

Members, date of birth, nationality, gender	Offices	Date first appointed*	Date of appointment or reappointment**	End of office***
Fedele Confalonieri (06/08/1937), Italian, M	Chairman (Non-Executive Director)	16/12/1994	23/06/2021	31/12/2023
Pier Silvio Berlusconi (28/04/1969), Italian, M	Chief Executive Officer (Executive Director)	28/07/1995	24/06/2021	31/12/2023
Marina Berlusconi (10/08/1966), Italian, F	Non-Executive Director	28/07/1995	23/06/2021	31/12/2023
Stefania Bariatti (28/10/1956), Italian, F	Non-Executive Director Chair of the Nomination and Remuneration Committee Member of the Environmental Social and Governance Committee	23/06/2021	23/06/2021	31/12/2023
Marina Brogi (15/07/1967), Italian, F	Non-Executive Director Chair of the Environmental Social and Governance Committee Member of the Nomination and Remuneration Committee Member of the Related Parties Transactions Committee	27/06/2018	23/06/2021	31/12/2023
Raffaele Cappiello (17/09/1968), Italian, M	Non-Executive Director Member of the Audit Committee	27/06/2018	23/06/2021	31/12/2023
Costanza Esclapon de Villeneuve (28/09/1965), Italian, F	Non-Executive Director Chair of the Related Parties Transactions Committee	27/06/2018	23/06/2021	31/12/2023
Giulio Gallazzi (08/01/1964), Italian, M	Non-Executive Director Member of the Environmental Social and Governance Committee	27/06/2018	23/06/2021	31/12/2023
Marco Giordani (30/11/1961), Italian, M	Chief Financial Officer (Executive Director)	20/03/2001	23/06/2021	31/12/2023
Gina Nieri (02/12/1953), Italian, F	Executive Director	28/09/1998	23/06/2021	31/12/2023
Danilo Pellegrino	Non-Executive Director	27/06/2018	23/06/2021	31/12/2023

(18/09/1957), Italian, M				
Alessandra Piccinino **(31/08/1962), Italian, F**	Non-Executive Director Chair of the Audit Committee Member of the Related Parties Transactions Committee	29/04/2015	23/06/2021	31/12/2023
Niccolò Querci **(10/05/1961), Italian, M**	Executive Director	22/04/2009	23/06/2021	31/12/2023
Stefano Sala **(23/09/1962), Italian, M**	Executive Director	29/04/2015	23/06/2021	31/12/2023
Carlo Secchi **(04/02/1944), Italian, M**	Non-Executive Director Member of the Audit Committee Member of the Nomination and Remuneration Committee	20/04/2006	23/06/2021	31/12/2023

* The date of first appointment of each director means the date on which the director was appointed to the Mediaset S.p.A. Board of Directors for the first time (ever).

**The current Board of Directors was appointed by the Shareholders' Meeting of 23 June 2021. On 18 September 2021, the company transferred its registered office to the Netherlands and became a Dutch N.V..

*** The term of office will end on the date of the General Shareholders' Meeting to approve the financial statements of the Company for the year ended 31 December 2023.

Curricula Vitae

FEDELE CONFALONIERI

Chairman
Non-Executive Director

Born on 6 August 1937 in Milan. He graduated with a degree in Law from Milan University. He is a member of the Advisory Board of Confindustria and Assolombarda. He is Chairman of MFE-MEDIAFOREUROPE N.V. and Mediaset S.p.A.. He is Chairman of the Veneranda Fabbrica del Duomo di Milano and member of the General Council of Confindustria Radio Televisioni. From 2014 to 2023, he was a member of the Board of Directors of Mediaset España Comunicación, SA and, following the completion of the merger of the latter into MFE- MEDIAFOREUROPE N.V., since May 2023 he has been a Board Member of Grupo Audiovisual Mediaset España Comunicación, SAU.

PIER SILVIO BERLUSCONI

Chief Executive Officer
Chairman of the Executive Committee

Pier Silvio Berlusconi was born in Milan on 28 April 1969. He began his professional career in 1992 working for Publitalia in the marketing area, moving on to the Italia 1 television network. In November 1996, he became head of scheduling and programme coordination for Mediaset networks. In 1999, he was appointed Deputy General Manager of RTI content and since April 2000 he has been Chairman and CEO of RTI as well as Deputy Chairman of Mediaset. Since April 2015, he has also been CEO of Mediaset (now MFE-MEDIAFOREUROPE). Since February 2020, he has been Deputy Chairman and CEO of Mediaset Italia S.p.A. (now Mediaset S.p.A.). Since June 2020, he has been Chairman of Medusa Film S.p.A. Since June 2023, he has been Chairman of MFE Advertising S.p.A. In addition, he sits on the Boards of Directors of the following companies: Arnoldo Mondadori Editore S.p.A., Fininvest S.p.A. and Publitalia S.p.A.

STEFANIA BARIATTI

Non-Executive Director
Chair of the Nomination and Remuneration Committee
Member of the Environmental Social and Governance Committee

Stefania Bariatti was born in Milan on 28 October 1956. She is a full professor of International Law at the Faculty of Law of the University of Milan, a member of the Governing Council of UNIDROIT - International Organisation for the Unification of Private Law and a member of the Council and Chairman of the Technical Antitrust Committee of the Italian Banking Association - ABI. She has been a member of the Boards of Directors of universities and non-profit foundations and has been a member of the Boards of Directors of listed companies since 2013. She is currently a member of the Board of Directors and of board committees of Inwit S.p.A. and BNL S.p.A.. She has represented Italy at the European Union and the Hague Conference on Private International Law and has assisted the European Parliament and European Commission on drafting legislation in the sector of judicial cooperation in civil law matters. Since 2011, she has been part of the Group of experts of the European Commission on insolvency law. She is co-director and on the editorial staff and scientific committee of various Italian and international scientific journals, a member of numerous Italian and international associations and research centres and is the author of over 150 published works. She is a member of the Milan Bar Association.

MARINA BERLUSCONI

Non-Executive Director

Marina Berlusconi was born in Milan on 10 August 1966. She joined the company at a very young age and has always been deeply interested and involved in the management and development of the Group's economic and financial strategies. In July 1996, she took the position of deputy chair of Fininvest, which she held until October 2005, when she was appointed chair of the holding. Since February 2003 she has been the Chair of Arnoldo Mondadori Editore S.p.A.

MARINA BROGI

Non-Executive Director
Chair of the Environmental Social and Governance Committee
Member of the Related Parties Transactions Committee
Member of the Nomination and Remuneration Committee

After graduating in Political Economy at Bocconi University in 1988 with Professor Tancredi Bianchi, she completed her studies at the London Business School. She is a full professor of the Economics of Financial Intermediaries at the Faculty of Economics, La Sapienza University, Rome, where she was vice president between 2011 and 2017 and currently lectures in International Banking and Capital Markets and Bank Corporate Governance. She is Chair of the Technical and Scientific Committee of the Italian Association of Financial Industry Risk Managers (AIFIRM). She is a member of the CFA Institute Systemic Risk Council and of Consob's Market Operators and Investors Committee. From 2014 to 2016 she was in the Securities and Markets Stakeholder Group of ESMA and since 2023 in the Advisory Working Group on Investor Trends and Research of the ESMA Risk Committee. She has been a member of the Scientific Committee of the Confindustria Research Centre. She was called upon as an expert by the Ministry of the Interior and in hearings at the 11th Senate Labour Commission and the 6th Finance Commission of the Chamber of Deputies. Since 2008, she has been a member of the management and supervisory Boards of listed and non-listed companies and financial intermediaries.

RAFFAELE CAPPIELLO

Non-Executive Director
Member of the Audit Committee

Raffaele Capiello was born on 17 September 1968 in Rome. He graduated in law from La Sapienza University, Rome, with honours. Since 1992 he has provided legal advice, also at judicial level, on corporate, banking, finance and competition law, for the law firm of Professor Libonati in Rome, also as a partner in the Libonati-Jaeger partnership, until 2010 when he opened his own practice in Rome. He lectures in Commercial Law at the School for the Legal Profession at Rome's La Sapienza University (2013/2019), and in Insolvency Law on the Master's course in receivership, at the University of Niccolò Cusano (since 2018). He was a member of the Rome Section of the Financial Banking Arbitrator (2015/2021). He has served or is serving as an organ of insolvency proceedings on behalf of the Bankruptcy Court, the Ministry of Economic Development and the Bank of Italy, including: that of Judicial Commissioner of the Concordato Preventivo Consorzio Venezia Nuova (implementation of the Mose Venezia project) and of the Concordato Preventivo Consorzio Costruzioni Mose Arsenale; as Extraordinary Director of Stefanel S.p.A. in A.S of the Cotorossi Group in A.S., the Cogolo Group in A.S., the Altiforni e Ferriere di Servola Group in A.S., Cavirivest s.p.a. in A.S; as Liquidator Commissioner of Il Manifesto soc coop in lca and as Judicial Commissioner of the Concordato preventivo of Acqua Marcia RE spa. He has held positions as independent director in financial and listed companies. He currently holds the following offices: Minority-appointed Independent Director of B&C Speakers S.p.A., listed on the Milan Stock Exchange; Member of the Advisory

Committee of Fondo Tessalo, a closed-end reserved alternative investment fund managed by DeA Capital Real Estate SGR S.p.A.; Independent director, of the company MFE-MEDIAFOREUROPE N.V., listed on the Milan Stock Exchange and whose MFE 'A' shares are also listed on the Spanish Stock Exchanges of Barcelona, Bilbao, Madrid and Valencia; Independent Director, appointed by the minority, of the company Avio SpA, listed on the Milan Stock Exchange; Director of the company Pagano Lighting Holding srl, appointed by Azimut Libera Impresa SGR spa.

COSTANZA ESCLAPON DE VILLENEUVE

Non-Executive Director
Chair of the Related Parties Transactions Committee

Born in Florence, Italy, founder and Chairman of Esclapon & Co, a strategic communications consultancy firm, she was Rai's Director of Communications and External Relations from 2012 to 2016 and a member of the Board of Directors and Board Committees of Enel S.p.A. from 2020 to 2023. She previously held the position of Director of External Relations for Wind and Alitalia and was head of the press office at Intesa Sanpaolo and at Enel. She has taught Communication at La Sapienza University, Rome. She received the Bellisario Prize in 2012, is a member of the Board of Directors of Fai and of the Board of Directors and Board Committees of Enel S.p.A. and Prelios Sgr. She was awarded Cavaliere al Merito of the Italian Republic in 2023.

GIULIO GALLAZZI

Non-Executive Director
Member of the Environmental Social and Governance Committee

Giulio Gallazzi was born in Bologna on 8 January 1964. He graduated in Business Management in 1987, and was awarded a Master’s in 1990 from SDA Bocconi, Milan. He was later a Visiting Scholar at Harvard Business School. He is the founder and current Chairman and C.E.O. of SRI Group, an international holding company controlling thirteen operating companies linked by strong strategic business interdependencies, with headquarters in London and operating offices in Milan, Rome, Brussels as well as numerous collaborations (Joint Ventures) established in 15 countries globally. Today, the Group is a landmark for European SMEs focused on internationalisation. The SRI Group is active in Business Development Advisory Services, Corporate Finance, International Business Management, and Corporate and Governance Restructuring. Over the last few years, Giulio Gallazzi has overseen proprietary investments in private equity in Fintech Banking and Insurance, Digital Life Sciences and high industrial technology, gaining considerable expertise in strategic management change, from a traditional economy to the digital economy, in both international finance and industry. The Group is the main shareholder of Banca del Ficino where Giulio Gallazzi also sits on the Board of Directors. Between 2014 and 2016 he was a director of Ansaldo STS - a leading Italian company in the field of rail and metropolitan signalling technology. He was formerly a Director of the Carige Group (2016-2018), where he was appointed Chair of the Board following a governance crisis, to lead the company through to the new Shareholders’ Meeting. Besides being on the board of MFE-MEDIAFOREUROPE N.V., he has been a member of the Board of Directors of ASTM S.p.A., one of the leading motorway operators (the second operator worldwide) and active in large infrastructure engineering. He is now a director of Danieli & C., a leading group worldwide in the steel sector, and of TIM, a leading group in Italy and Brazil in the ICT/TMT sectors. He has published numerous works and articles on corporate development and sustainable finance. In his youth, he had an important sporting career: he was Europe’s American football champion with the Italian national team in 1987, which he also captained, and in 1986 was the Italian champion with the Bologna Warriors. In 1988 he was voted MVP of the Championship.

MARCO GIORDANI

Member of the Executive Committee

Born in Milan on 30 November 1961, he graduated in Economics and Business at the L. Bocconi University in Milan. He has been Chief Financial Officer of the Mediaset Group (now MFE Group) since 2000. He is Chairman of Monradio S.r.l., RadioMediaset S.p.A. and Virgin Radio Italy S.p.A. He is also Chief Executive Officer of R.T.I., Director of MFE-MEDIAFOREUROPE N.V., Publitalia '80 S.p.A., Medusa Film S.p.A. and Mediaset S.p.A., as well as a member of the Executive Committee of MFE-MEDIAFOREUROPE N.V.. From 2014 to 2023, he was a member of the Board of Directors of Mediaset España Comunicación, SA and, following the completion of the merger of the latter into MFE- MEDIAFOREUROPE N.V., since May 2023 he has been a member of the Board of Directors of Grupo Audiovisual Mediaset España Comunicación. From 1998 to 2000 he was a member of the Equity Interests Control division of IFIL S.p.A., he was then appointed to the Board as well as a member of the Executive Committee of LA RINASCENTE S.p.A., and Director of S.I.B. (Società Italiana Bricolage). In 1991, he was Head of Financial Management at GRUPPO RINASCENTE, where he became Chief Financial Officer in 1997.

GINA NIERI

Member of the Executive Committee

Gina Nieri was born in Lucca on 2 December 1953 and has two daughters. She holds a Degree in Political Sciences from Pisa University, and a specialisation in Journalism and Mass Communication from Luiss University, Rome. She has worked in commercial television since 1977, firstly as General Secretary of FIEL, the first association of “free” broadcasters. She then joined FRT – the Federation of Radio and Television Operators – as Director, remaining until 1990, when she joined the FININVEST GROUP as Manager for Relations with Trade Associations. She is currently Director of the Institutional, Legal and Strategic Analysis Division in the MEDIASET Group. Since April 2015, she has been a Director and member of the Executive Committee of MEDIASET S.p.A. (now MFE-MEDIAFOREUROPE N.V.). In 2020, she was confirmed as Deputy Chairman of RTI. Since February 2020, she has been a member of the Board of Directors of MEDIASET S.p.A. (formerly MEDIASET ITALIA S.p.A.), the Italian holding company of the MFE-MEDIAFOREUROPE N.V. Group. In April 2020, she was confirmed as a member of the Board of Directors of PUBLITALIA'80 S.p.A. In June 2021, she was confirmed as a member of the Board of Directors and of the Executive Committee of Mediaset SPA, which on 18 September of the same year, with the transfer of its headquarters to the Netherlands, became Mediaset N.V. and on 25 November 2021 took on its current name of MFE-MEDIAFOREUROPE N.V. From 2018 to 2023, she was a member of the Board of Directors of Mediaset España Comunicación, SA and, following the completion of the merger of the latter into MFE- MEDIAFOREUROPE N.V., since May 2023 she has been a member of the Board of Directors of Grupo Audiovisual Mediaset España Comunicación, SAU. She has been a member of the BORSA ITALIANA Consultation Committee. She is on the General Council of CONFINDUSTRIA and ASSOLOMBARDA. She is on the Chairman’s Committee of the Master’s in Marketing, Digital Communication and Sales Management of PUBLITALIA. Since 2019, she has been Vice President of CERRE, (Centre on Regulation in Europe). She is a member of the Board of Directors of Class CNBC S.p.A.. From 2000 to 2005, she was a member of the Board of Directors of ALBACOM S.p.A with a Mediaset share. She participates in work groups at the European Commission, on matters concerning protection of minors, also on the internet, pluralism of the media, management of the radio spectrum, copyright and regulation of the European digital services market. On 27 December 2012 she was awarded the title "Commendatore dell’Ordine al Merito della Repubblica Italiana" (Commander of the Order of Merit of the Italian Republic).

DANILO PELLEGRINO

Non-Executive Director

Danilo Pellegrino was born in Milan on 18 September 1957, and studied Business Management at Cattolica University, Milan. In 1975, he joined Magneti Marelli S.p.A., a Fiat Group company where he held various positions in the Administration and Control Area. He joined the Fininvest Group in 1988. He is currently CEO of Fininvest S.p.A. and holds the following positions in the Group's companies: He is Chairman of Alba Servizi Aerotrasporti S.p.A. and of ISIM S.p.A., Deputy Chairman of Teatro Manzoni S.p.A., Milan, and director of A.C. Monza. He is a member of the Board of Directors of Arnoldo Mondadori Editore S.p.A..

ALESSANDRA PICCININO

Non-Executive Director
Chair of the Audit Committee
Member of the Related Parties Transactions Committee

Born in Naples on 31 August 1962, she graduated with honours in Economics from the University of Naples and completed her studies with a Master in European Advanced Studies at the College of Europe, Bruges, Belgium. She worked for over twenty years for the American Group Dow Chemical, holding various positions in finance and administration with responsibility for several countries (1987-2009). She was CFO of Axitea, an Italian leader in security, held by an English private equity firm (2010-13). She has been Financial Advisor for Fintech and Insurtech companies, angel investor and member of Italian Angel for Growth (IAG), a network of business angels. She was consultant for FIA (the International Automobile Federation) in 2018. She was Chief Financial and Operating Officer at Moleskine, a leading lifestyle brand with a global presence, and part of the D'Ieteren Group, Belgium (2019-2021). Chief Financial Officer of Lifestyle DESIGN, a federation of brands with a worldwide presence in the design and luxury furniture sector, including Poltrona Frau and Cassina, all controlled by the Haworth Group, USA (2021-22).Since 2012, she has served on the Boards of listed and unlisted companies: Ansaldo STS SpA (2015-16), Mediaset SpA (2015-18), American School of Milan (2012-2020) of which she was also President, Italgas Reti SpA (2017-23). since 2018, she has been independent non-executive director of Pierrel SpA, a supplier of services to the pharmaceutical industry; since 2020 she has been on the Steering Committee of Italian Angel for Growth; since June 2021 she has been non-executive independent director, Chairman del Audit Committee and member of the Related Parties Committee of MFE – MEDIAFOREUROPE N.V., a financial holding of Mediaset Group.

NICCOLO' QUERCI

Member of the Executive Committee

Niccolò Querci was born in Florence on 10 May 1961. He was awarded a degree in Law from Siena University in 1986 and a Master's in Business Communication in 1988. He holds the position of Central Director of Human Resources, Operations, Technology and Procurement, after having progressively broadened the scope of his responsibilities from the position of Central Director of Personnel and Organisation. Since 2007, he has been Deputy Chairman of Publitalia '80 S.p.A.. From 2006 to 2010 he was Chairman of Media Shopping S.p.A.. Since 2003 he has been Managing Director of R.T.I S.p.A. for Human Resources, General Services and Safety. Since 2001 he has been Deputy Chairman of R.T.I. S.p.A.; from 1999 to 2006 he was Director of artistic resources, productions, entertainment and sport and, until 2008, he was Manager for diversified and new business activities of the Group. From 1992 to 1999 he was Assistant and Chief Secretary of Silvio Berlusconi with various organisational duties. From 1989 to 1992 in Publitalia '80 Account Major Clients and Assistant President and Managing Director and from 1987 to 1988 Account Executive P.T.Needham. From 2018 to 2023 he was a member of the Board of Directors of Mediaset España Comunicación, SA and, following the completion of the merger of the latter into MFE-

MEDIAFOREUROPE N.V., since May 2023 he has been a Board Member of Grupo Audiovisual Mediaset España Comunicación. He is also a Director and a member of the Executive Committee of MFE-MEDIAFOREUROPE N.V. as well as a member of the Board of Directors of Mediaset S.p.A...

STEFANO SALA

Member of the Executive Committee

Stefano Sala was born in Milan on 23 September 1962. He is married and has three children. He holds a degree in business management from "Luigi Bocconi" University in Milan. Executive Director of MFE-MEDIAFOREUROPE N.V. (since April 2015) and member of the Executive Committee, Chairman and Chief Executive Officer of Publitalia '80 S.p.A. since April 2023 (formerly Chief Executive Officer since April 2014 and Commercial Managing Director from December 2012 to March 2013), Executive Chairman of Publiespana S.A.U.(since January 2023), Chairman of Publieurope Ltd (since 1 September 2021 and formerly Chief Executive Officer of Publieurope Ltd since April 2017), Chairman of Digitalia '08 S.r.l. (since February 2023, formerly Chairman and Chief Executive Officer since February 2022 and formerly Chief Executive Officer since December 2012), Chairman of Mediamond S.p.A. (since June 2020 and formerly Deputy Chairman since February 2015), Chief Executive Officer of MFE Advertising S.p.A. (since June 2023); Board Director of Mediaset S.p.A. (since February 2020), Board Director of RTI S.p.A. (since April 2017), Board Director of RadioMediaset S.p.A. (since June 2016), Chairman of Adtech Ventures S.p.A. (since February 2023), Chairman of Dr Podcast Audio Factory Limited (since July 2023), Chairman of Videowall S.r.l. (since August 2019), Board Director of Grupo Audiovisual Mediaset España Comunicación, S.A.U. (since June 2023) and Board Director of Auditel (since May 2020). From January 2009 to November 2012 he held the position of Chairman and Chief Executive Officer of GroupM Italy. Between March 2006 and December 2008 he was Chairman and Chief Executive Officer of Mediaedge: Cia Italy and Executive Vice President of Groupm Italy. From January 2004 to February 2006, he was Chairman and Chief Executive Officer of Mindshare Italy; earlier, from May 2001 to December 2003, he was Managing Director of Media Insight/Mindshare Italy. From April 1999 to April 2001 he was Managing Director of CIA Italy. From April 1995 to March 1999 he was Commercial Director in Cairo Pubblicità. From March 1991 to March 1995, he worked in Telepiù Pubblicità as Sales Manager and previously Sales Executive.

CARLO SECCHI

Non-Executive Director
Member of the Audit Committee
Member of the Nomination and Remuneration Committee

Carlo Secchi was born in Mandello del Lario (Lecco) on 4 February 1944. He is Emeritus Professor of European Economic Politics at Bocconi University Milan, where he was also Rector from 2000 to 2004. He was a member of the European Parliament during the fourth legislature (1994-1999), where he was Deputy Chair of the Economic and Monetary Commission. He was a Senator of the Italian Republic during the twelfth legislature (1994-96). He is on the steering committees of technical and scientific foundations and institutes. He is Deputy Chairman of ISPI (Institute for the Study of International Politics, Milan). He is a member of the Board of Directors of MFE-MEDIAFOREUROPE N.V.. In 2014, he was appointed chair of the supervisory board of Pirelli S.p.A. Since 2009, he has been European coordinator of the TEN-T priority projects (Atlantic Corridor). He has written numerous books and papers on trade and international economics, on economic integration and European matters. He is a member of the Commission for Ethics and Integration in Research of Italy’s National Research Council.

On 13 February 2024, the Non-Executive Directors verified that there were no changes to the independence status already attributed to the Non-Executive Directors Marina Brogi, Stefania Bariatti, Raffaele Cappiello, Costanza Esclapon de Villeneuve, Giulio Gallazzi, Alessandra Piccinino and Carlo Secchi, thus confirming their continued existence pursuant to provisions 2.1.7 and 2.1.8 of the DCGC, as stated in the Non-Executive Directors' Report.

The composition of the Board of Directors complies with legal provisions and the Policy on diversity, approved by the Board of Directors on 18 September 2021. In particular, as regards gender quotas, the Directors of the least represented gender number six, out of a total of fifteen Directors, and number five out of a total of ten non-Executive Directors. With reference to the best practices established by the DCGC concerning the composition of the Board of Directors, please refer to the section on DCGC compliance. For further information, please refer to the section on Diversity Policy in this document.

Role of the Board of Directors

The Board of Directors is assigned the management of the Company. The Executive Directors are charged with the day-to-day management of the Company's affairs and, inter alia, the creation of long-term sustainable value by involving the Non-Executive Directors in the formulation of strategy.

Non-Executive Directors shall monitor Executive Directors' fulfilment of their duties, and the general performance of operations and related business.

The Board of Directors may delegate powers and duties to individual Directors or to Committees with at least two Directors as members.

During 2023, 8 Board meetings were held.

The Board of Directors resolved, among others, on the approval of the strategic, industrial and financial plans of the Company and its Group, periodically monitoring the adoption of these plans; to the approval of the cross-border merger by incorporation of Mediaset España Comunicación, SA (as the incorporated company) into MFE (as the incorporating company), as well as to the application for the admission to listing and trading of all MFE Category 'A' shares on the Spanish Stock Exchange; the approval of the Enterprise Risk Management Policy, the Policy supporting the adequacy of financial reporting, the Company's Dividend Policy and the new Policy for the Management of Transactions between Related Parties; taking note of the regulatory developments regarding the European Taxonomy Regulation; the adoption of the 'Tax Strategy of the MFE Group', the Tax Compliance Model and the guidelines for the management of risk related to the interpretation of tax legislation; it also resolved on the definition of strategic objectives and the nature and level of compatible risk, monitoring implementation during the year and reviewing and approving the Group's three-year economic and financial forecasts; it resolved on the adequacy of the organisational, administrative and general accounting structure of the Company and strategic subsidiaries; also on the general performance of operations; it resolved on the Company's Policy for the remuneration of directors and key managers; it reviewed the functioning of the Board and its committees; it assessed work plan prepared by the Head of the Internal Auditing Department; it reviewed periodic reports on the accounts; periodic quarterly reporting; the approval of the Antitrust Compliance Programme and the identification of the Antitrust Compliance Officer as the head of this programme; to the operation of regrouping the Company's shares in a ratio of 1:5, involving both categories into which the share capital is divided, and the proposed amendments to the Articles of Association; to the "Medium-Long-Term Incentive and Loyalty Plan for the years 2021, 2022 and 2023 for the Managing Bodies and certain Executives of the MFE Group" in order to keep the economic content of the relative rights unchanged following the said share grouping; it approved the Interim Financial Report at 30 September 2023.

As in previous years, the Board of Directors was not managed or coordinated by a majority shareholder.

Table indicating directors attending meetings

Director	Board of Directors	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Environmental Social and Governance Committee	Related Parties Transactions Committee
Fedele Confalonieri	8/8					
Pier Silvio Berlusconi	8/8					
Stefania Bariatti	7/8			5/5	1/1	
Marina Berlusconi	2/8					
Marina Brogi	8/8			5/5	1/1	4/4
Raffaele Cappiello	8/8		10/10			
Costanza Esclapon de Villeneuve	7/8					4/4
Giulio Gallazzi	8/8				1/1	
Marco Giordani	8/8					
Gina Nieri	8/8					
Danilo Pellegrino	3/8					
Alessandra Piccinino	8/8		10/10			4/4
Niccolo' Querci	8/8					
Stefano Sala	8/8					
Carlo Secchi	8/8		9/10	5/5		

Furthermore, on six occasions, the Board of Directors took resolutions in writing concerning, inter alia, the cross-border merger transaction between the Company and Mediaset España Comunicación S.A.; the approval of the Policy on Cross-Border Intercompany Transactions and the Policy on Stakeholder Dialogue; the implementation of the 2021/2023 Medium-Long-Term Incentive and Loyalty Plan with reference to the financial year 2023 and the adjustment of the economic terms and conditions of the said Plan, as a result of the above-mentioned share grouping; the appointment of the Whistleblowing Committee; the remuneration and performance objectives (SIA) for the financial year 2023 of the variable component of the Chief Executive Officer.

Chairman

The General Shareholders' Meeting of 23 June 2021 appointed Fedele Confalonieri as Chairman of the Board of Directors. On 18 September 2021, the Board of Directors confirmed Fedele Confalonieri as Chairman of the Board of Directors. In this position, Mr. Confalonieri is authorised to represent the Company, to chair meetings of the Board of Directors and General Shareholders' meeting; he has the casting voting in Board Decisions and ensures that activities of Committees are coordinated with those of the Board.

Chief Executive Officer

On 24 June 2021, the Board of Directors appointed Pier Silvio Berlusconi as Deputy Chairman and Chief Executive Officer - CEO. On 18 September 2021, following the Transfer, the Board of Directors confirmed Pier Silvio Berlusconi as Chief Executive Officer with powers, inter alia, of ordinary and extraordinary administration within the maximum value limit of Euro 15,000,000.00 per individual transaction, with the exception of those falling within the exclusive competence of the Board of Directors and the Executive Committee.

Executive Committee

On 18 September 2021, the Board of Directors confirmed the establishment of an Executive Committee and appointed as members: the Chief Executive Officer, Pier Silvio Berlusconi (Chairman), and the Executive Directors Marco Giordani, Gina Nieri, Niccolò Querci and Stefano Sala, giving this Committee powers, among others, to review in advance material investments and/or transactions of subsidiaries not budgeted for and of an amount between Euro 5 million and Euro 65 million, with the exclusion of companies controlled by listed subsidiaries of the Company not managed or coordinated by it.

Non-Executive Directors

The Non-Executive Directors have to supervise the fulfilment of duties by the Executive Directors, as well as the general management of the Company and its business, and define a Diversity and Inclusion policy for the Executive Directors and the Non-Executive Directors themselves. Moreover, Non-Executive Directors have the duties assigned to them by the Board of Directors or pursuant to the Articles of Association.

The Non-Executive Directors met, in the absence of the Executive Directors, on 30 January 2024 and on 13 February 2024 and, inter alia, carried out the evaluations referred to in Sections 2.2.6 and 2.2.7 of the DCGC and shared their Report pursuant to Section 5.1.5. of the DCGC.

Regulations of the Board of Directors

Pursuant to the Articles of Association, the Board shall draw up regulations governing its decision-making procedure.

On 18 September 2021, the Board of Directors approved the aforesaid regulations[46] which govern, among others, rules for the periodic assessment of the Board's composition and functioning, the duties and responsibilities of Executive and Non-Executive Directors, the Board meetings and conflicts of interest of Directors. These regulations are in addition to provisions concerning the Board and each Director contained in applicable laws and regulations, as well as the Articles of Association.

Diversity Policy

On 18 September 2021, the Board of Directors of the Company, following the Transfer, reviewed the Diversity Policy in compliance with DCGC best practices.

The guidance and recommendations in the Policy are functional to achieving the objective of having on the Board members that can ensure the role given to them is performed effectively. The Company believes this is only possible by taking action, both during the application and appointment stage, which involves various entities with

[46] The Regulations of the Board of Directors are available on the Company's website.

different duties (internal committees, the Board, the Shareholders' Meeting), and after the appointment, and therefore while board members perform their duties as part of the ongoing management of activities. To this end, the professional skills necessary to achieve this result must be clearly defined ex ante - and possibly reviewed over time to take account of any new situations or changes to be addressed - and the selection of candidates for the position of Directors and their appointment must take into account these guidelines and recommendations. The Board of Directors appreciates and promotes diversity on the Board of Directors and in the Company as a whole. Different expertise and backgrounds reflect the diversified nature of the environment in which the Company works and its shareholders operate, improving effectiveness through a diverse approach and way of thinking, guiding innovation and accelerating growth.

The Board of Directors, assisted by the Nomination and Remuneration Committee, is responsible for monitoring the results of adopting the Diversity Policy and updates to it.

The Board of Directors supports diversity as recognized and described in the Diversity Policy adopted on 18 September 2021, which is available on the corporate website. The Policy considers the elements of a diverse composition in terms of nationality, gender, age and background, including expertise and experience. It is the aim of the Company to reflect this also in the composition of the Board of Directors. Currently, the Board of Directors is composed of 15 members, 9 male and 6 female, fulfilling the goal of having at least 30% male and at least 30% female members. The Executive Directors are 5, 4 male and 1 female, and the Non-Executive Directors are 10, 5 male and 5 female. Notwithstanding the foregoing, it is recognized that the gender representations among Executive Directors and Non-Executive Directors leaves room for a more balance distribution.

The Board of Directors, with the support of the Nomination and Remuneration Committee, takes into account all diversity elements, including the gender balance, as is considered best practice under the DCGC and the DCC of the Diversity Policy when identifying candidates for nomination as member of the Board of Director.

Regarding the definition of "Sub-top", it includes all those belonging to the Managers. Demonstrating the ever-increasing importance that the Company attributes to diversity and inclusion issues, in 2023 the ESG guidelines issued by MFE Group expressed goals connected with pay equity, stating the Company's intention to maintain the current levels of distribution and pay equity for each category, considered positive, through recruitment and professional development policies that promote growth of the less represented gender in managerial roles.

In view of the appointment of the new Board of Directors, which will expire with the approval by the Shareholders' Meeting of the financial statements as of 31 December 2023, a process of analysis and alignment of the Diversity Policy was initiated, in accordance with the inclusion principles of the DCC and introduced with the latest update of the DCGC, for the Executive and Non-Executive composition of the Board, applicable, as well, to the Sub-top category (definition including employees in executive positions), identified by the Executive Directors.

Board evaluation

For the results of the evaluation pursuant to DCGC, reference is made to the Report of the Non-Executive Directors.

Board induction

In order to foster greater knowledge of, among other things, internationalisation strategies and specific business and corporate governance issues, the Company organised eight Induction sessions for the benefit of Non-Executive Directors, in line with an already established practice within the company. These meetings, which also involved management and external consultants, specifically concerned the regulatory and self-regulatory framework of reference, also in the context of the development of the well-known project for the creation of a pan-European Media and Entertainment Group, the cross-border merger by incorporation of Mediaset España

Comunicación SA into MFE and the subsequent integration of the Group's organisational structure, and in-depth discussions with the Investor Relations function on market sentiment, the scope and management system of the areas overseen by the Business Digital Department, the infrastructure market sector receiving a thorough overview of the investee company EI Towers S.p.A. and the creative and production process underlying the creation of a television programme, described and presented by the various functions involved; Directors then attended a training session on the use of the new multilingual and interactive digital platform created to support Board reporting, which allows Directors to have at their disposal documentation related to Board and Committee meetings, in accordance with the new IT security parameters identified by Group IT. In connection with the completion of the merger by incorporation of Mediaset España Comunicación into MFE and the consequent reorganisation, a move was also made to the headquarters of the incorporated company, in Madrid.

Board committees

On 28 September 2021, the Board of Directors set up four board committees: the Audit Committee, the Nomination and Remuneration Committee and, on a voluntary basis, the Environmental Social and Governance Committee and the Related Parties Transactions Committee.

Audit Committee

The Audit Committee comprises the following Independent Non-Executive Directors: Alessandra Piccinino (Committee Chair), Raffaele Cappiello and Carlo Secchi. The Committee was established by the Board of Directors on 28 September 2021.

The Board of Directors also approved the regulations[47] of the Committees that establish its operation and duties.

Pursuant to provision 1.5.1 of the DCGC, the tasks of the Committee are geared towards overseeing the integrity and quality of the Company's financial reporting and the effectiveness of its internal risk management and control systems.

In particular, the Committee assists the Board of Directors by advising on the following matters:

(a) the Company's compliance with applicable laws and regulations;

(b) revision of the Company's internal risk management and control systems;

(c) recommendations on appointing independent auditors;

(d) relations with internal and external auditors, as well as compliance with their recommendations and observations;

(e) the Company's disclosure of financial and non-financial information;

(f) Company financing;

(g) the Company's use of ICT, including IT security risks;

(h) the Company's tax policy; and

(i) monitoring and evaluating the reporting of the Company's ESG objectives and programmes.

[47] The regulations of the Audit Committee are available on the Company's website.

The Committee shall report to the Board of Directors on its decisions and results. This report shall include at least the information indicated in provision 1.5.3 of the DCGC.

The report includes information on how the Audit Committee has discharged its functions during the financial year and provides information about the composition of the Audit Committee, the number of Audit Committee meetings held and the main topics discussed.

The report also includes the following information:

(a) the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems, as indicated in best practice provisions 1.2.1 - 1.2.3 of the DCGC;

(b) the methods used to assess the effectiveness of internal and external audit processes;

(c) significant observations on financial reporting; and and

(d) the way in which material risks and uncertainties are discussed, according to the best practice provision 1.4.3 of the DCGC, together with a description of the most important results of the Audit Committee.

The Committee met ten times during 2023 and carried out the following activities: noted the results of the Quality Assurance Review of the Internal Auditing Department carried out by the company Protiviti; took note, without observations, of the “June/December 2022 Reports Summary” and the “Activities Summary 2022” prepared by the Internal Auditing Department; took note of and assented to the “Audit Plan 2023” drawn up by the Internal Auditing Department; reviewed the “Audit Plan 2022” drawn up by the independent auditors; reviewed and took note of the “Audit Plan 2023” and the ERM of the subsidiary Mediaset España Comunicación S.A; approved the appointment by subsidiary RTI S.p.A. of the independent auditors in relation to the “management of the Physical and Environmental Safety of the Company's Technology Areas." endorsed the “Antitrust Compliance Programme”; endorsed the process to define the material issues for the Sustainability Report at 31 December 2022; endorsed the ERM Policy update and the Adequacy of Financial Reporting Policy; took note of and approved the methodology and the various assumptions adopted in the planning for the annual impairment testing process; undertook preliminary steps to enable the preparation of the Sustainability Report at 31 December 2022 and expressed to the Board its endorsement of the analysis and content of the document in terms of the sustainability issues found to be material for the Group, taking into account the relevant activities and characteristics and the data gathering process as a whole; took note of and approved the periodic monitoring of strategic risks in accordance with the “Enterprise Risk Management” methodology; reviewed and took note of the Internal Control and Risk Management System Report at 31 December 2022, prepared by the Internal Auditing Department; approved the Committee's Activity Report, including the evaluation on the composition and functioning of the Committee; positively assessed the outcome of the preliminary investigation concerning the assessments for the approval of the Annual Report 2022 and the periodic financial reports; took note of the Company's “Leverage Map 2022”; took note of the "Internal Audit Activities Planning Logics”; took note of and endorsed the “Deloitte Accountants B.V. Report to the Board of Directors”; took note of the progress made in the main corrective actions agreed with management at 31 December 2022, as drawn up by the Internal Auditing Department; endorsed the "Cross-Border Intercompany Transactions Policy”; endorsed the adoption of the "MFE Group Tax Strategy." endorsed the proposed adjustment of the Whistleblowing system.

The audit activity was periodically reviewed with the head of internal auditing who attended all meetings where the main findings and corrective actions were discussed with the Committee.

The Committee promptly reported to the Board of Directors on the activities carried out.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises the following Independent Non-Executive Directors: Stefania Bariatti (Committee Chair), Marina Brogi and Carlo Secchi. The Committee was established by the Board of Directors on 28 September 2021 to combine the functions of the former Selection and Appointment Committee and the Remuneration Committee.

The Board of Directors also approved the regulations[48] of the Committees, that establish its operation and duties:

As regards appointments, the Committee carries out preparatory activities to support the decisions of the Board, reporting on the findings of analyses and on preparatory activities pursuant to provisions of Article 2.2.5. of the DCGC, including activities concerning the diversity policy and maximum number of positions held by directors. The Committee also assists the Board of Directors in its evaluation activities and its committees.

The Committee has the following functions regarding remuneration:

- pursuant to Art. 3.1.1 of the DCGC submits a clear and transparent proposal to the Board of Directors concerning the policy for the remuneration of directors. The Board of Directors presents the policy (which must include the matters indicated in section 2:135a of the Dutch Civil Code) to the Shareholders' Meeting, for adoption;
- prepares the remuneration report pursuant to Art. 2:135b of the DCC and provision 3.4.1. of the DCGC;
- periodically assesses the adequacy, overall cohesion and specific adoption of the Policy for individual Board Directors adopted by the Company and submits its proposals to the Board of Directors in this respect;
- gives a prior non-binding opinion on remuneration proposals and proposals concerning performance targets for the variable component of the Chief Executive Officer's remuneration package;
- makes proposals to the Board of Directors concerning the criteria, beneficiary categories, amounts, terms, conditions and procedures for share-based remuneration plans.

In the course of 2023, the Committee met five times and, in addition, on one occasion took a number of resolutions in writing.

On the subject of remuneration, it has, in particular, analysed and took note of the outcomes of the Shareholders' Meeting of 7 June 2023; took note of the adequacy, overall cohesion and specific application of the General Remuneration Policy for the year 2023, approved by the Shareholders' Meeting on 7 June 2023; formulated a proposal to the Board of Directors regarding the General Remuneration Policy for 2023 and 2024 and – in view of the planned, and subsequently completed, merger by incorporation of the subsidiary Mediaset España Comunicación S.A. into MFE-MEDIAFOREUROPE N.V. – assessed the possibility of adapting the Remuneration Policy by designing a short-term and long-term managerial incentive system that is homogeneous between the two countries for the year 2024. The Committee also expressed its prior non-binding opinion on remuneration proposals and proposals concerning performance targets for the variable component of the Chief Executive Officer's remuneration package; prepared the remuneration report pursuant to Art. 2:135b of the DCC and provision 3.4.1. of the Code; deliberated on the proposed objectives and beneficiary categories of the third cycle of the 2021/2023 Medium-Long Term Incentive Plan.

In the area of appointments, during 2023 the Committee supported the Board of Directors in the activities and procedures for the annual evaluation of the Board, its Committees and individual Directors and monitored the results of the implementation of the Diversity Policy.

The Committee promptly reported to the Board of Directors on the activities carried out.

[48] The regulations of the Nomination and Remuneration Committee are available on the Company's website.

Environmental Social and Governance Committee

The Environmental Social and Governance Committee comprises the following Independent Non-Executive Directors: Marina Brogi (Committee Chair), Stefania Bariatti and Giulio Gallazzi. The Committee was established on a voluntary basis by the Board of Directors on 28 September 2021.

On the same date, the Board of Directors approved the regulations[49] of the Committees that establish its operation and duties. The Environmental Social and Governance Committee gives the Board of Directors initial advice to help the Company draw up its environmental, social and governance policies in compliance with its strategy. For this purpose, the Environmental Social and Governance Committee may bring specific environmental, social and governance objectives to the attention of the Board of Directors. The decision to pursue these objectives, or otherwise, and the related implementing programmes are brought to the attention of the Board of Directors and the management of the Company. The Audit Committee periodically monitors and assesses whether the Company is meeting its environmental, social and governance objectives and implementing the related programmes and includes its findings in its report to the Board of Directors.

During 2023, the Committee met once and carried out the following activities: took note of and shared the status of projects and proposed initiatives for 2023, sharing the objectives contained in the Sustainability Project, which outlines initiatives in the following areas:

- **Environmental**: reorganisation of the workspace, green car fleet, sustainable mobility, photovoltaics, "Green Audiovisual" certification for Le Iene, Striscia la Notizia and Dritto e Rovescio productions;
- **Social**: training, welfare, communication, content monitoring – in particular the project currently underway with the Polytechnic University of Milan to develop an Artificial Intelligence model to calculate the ESG impact of productions;
- **Governance:** performance measurement, green procurement;

approved the Committee's Activity Report, including the Committee's Evaluation.

The Committee promptly reported to the Board of Directors on the activities carried out.

Related Parties Transactions Committee

The Related Parties Transactions Committee comprises the following Independent Non-Executive Directors: Costanza Esclapon de Villeneuve (Committee Chair), Marina Brogi and Alessandra Piccinino. The Committee was established on a voluntary basis, as it is not required by the laws and regulations in force in the Netherlands, by the Board of Directors on 28 September 2021.

On the same date, the Board of Directors approved the Related Parties Transactions Policy (subsequently amended on 21 December 2021 and then on 22 November 2023) and the Committee regulations[50] (subsequently amended on 21 December 2021 and then on 25 January 2024), which regulate the Committee's operation and functions:

1. The Related Parties Transactions Committee periodically evaluates the Company's Related Parties Transactions Policy and submits its proposals to amend the Policy to the Board of Directors;

2. to the extent that a transaction qualifies as a Related Party Transaction of Greater Significance that was not concluded in the ordinary course of the Company's business or on normal market terms, but is not considered an

[49] The regulations of the Environmental Social and Governance Committee are available on the Company's website.
[50] The regulations of the Related Parties Transactions Committee are available on the Company's website.

(allegedly) Excluded Transaction, the Related Parties Transactions Committee shall provide the Board of Directors with a non-binding opinion, before such transaction is concluded.

Where:

Material Related Party Transaction means a transaction that:

(a) concerns inside information within the meaning of Article 7(1) of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse; and

(b) is concluded between the Company and:

1) a Related Party;

2) one or more shareholders and/or certificate of deposit holders representing, individually or jointly, at least 10% of the shares and/or certificates of deposits in share capital issued by the Company; or

3) a Board Director.

During 2023, the Committee met four times and periodically reviewed the Related Party Transactions concluded by the Company during the reporting period, approved the Committee's 2022 Activity Report, including the Committee's evaluation, and approved the amendment of the Related Party Transaction Policy.

The Committee promptly reported to the Board of Directors on the activities carried out.

Conflict of interests

A Director that has a conflict of interest or has an interest which appears to possibly give rise to a conflict of interests shall declare the nature and extent of the interest to other Directors and if, in relation to the matter concerned, the Director has a direct or indirect personal interest in conflict with the interests of the Company and its business, s/he may not take part in the resolution or decision-making process of the Board of Directors. If the conflict of interest involves all Directors, the Board of Directors may in any case take decisions.

During 2023, no transactions in conflict with Directors were reported.

Remuneration

Information on the remuneration of Directors and members of Board committees is provided in a specific report on remuneration, contained in this document.

Information pursuant to the Decree implementing Art. 10 of the EU Directive on Public Purchase Offers

Structure of share capital

Pursuant to the Dutch Decree Besluit artikel 10 overnamerichtlijn, the following information is provided:

a) the authorised share capital of MFE, the reduction of which - with the related amendment to the Articles of Association - is consequent to the execution of the grouping of the ordinary shares of category "A" and the ordinary shares of category "B" resolved upon by the Extraordinary Shareholders' Meeting held on 7 June 2023 as well as its subsequent increase, charged to the available reserves, with the exclusion of the option right, is equal to Euro 166,845,974.46, divided into 418,311,121 ordinary A shares (with a par value of Euro 0.06 each) and 236,245,512 ordinary B shares (with a par value of Euro 0.60 each) and that all shares attribute the same equity rights, the same treatment and, except for the vote, equal administrative rights.

The issued and subscribed share capital amounts to Euro 161,649,463.14 divided into a total of 567,948,111 shares, of which 331,702,599 Ordinary A shares (with a nominal value of Euro 0.06 each and which grant 1 voting right each) and 236,245,512 Ordinary B shares (with a nominal value of Euro 0.6 each and which grant 10 voting rights each) including - as at 31 December 2023 - 7,724,109 treasury B shares (without voting rights).

The shares are listed on Euronext Milan. MFE 'A' ordinary shares are also listed on the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia.

	Number of shares	Percentage of share capital	Listing
B Shares	236,245,512	41.60%	Euronext Milan
A Shares	331,702,599	58.40%	Euronext Milan/Spanish Stock Exchange

As regards the rights and obligations connected with each category of share, in the case of the issue of shares, each shareholder shall have an option right in proportion to the overall nominal value of their shares. This right is not envisaged in the case of the issue of:

- shares issued for non-cash contributions; or
- shares issued for employees of the Company or a company of the group.

Each shareholder is authorised to attend, speak at, and to the extent permitted, exercise voting rights at the ordinary Shareholders' Meeting, and be represented by written proxy. In this respect, please refer to Art. 34 of the Articles of Association.

For all information concerning the rights associated with each share category, reference is made to the Articles of Association and other information in the section in the "structure of share capital", available on the Company's website.

b) All shares are registered. Share certificates are not issued. There are no restrictions on the transfer of shares.

c) the following are the relevant shareholdings as at 31 December 2023

Shareholder	Number of shares	Share capital per nominal amount		
	% MFE B + MFE A	% MFE B + MFE A	% MFE B	% MFE A
Fininvest S.p.A.	41.49 %	48.57 %	50.46 %	35.09 %
Simon Fiduciaria S.p.A.	15.96 %	18.50 %	19.18%	13.66 %
Vivendi S.E.	3.84 %	4.45 %	4.61%	3.28 %

d) Shares carrying special control rights have not been issued.

e) No share-based plan for employees has been set up, apart from medium-/long-term incentive and loyalty plans. Therefore there is no specific procedure for employees to exercise voting rights.

f) All outstanding ordinary class A and B shares carry voting rights. Each ordinary class A share carries the right to one vote and each ordinary class B shares carries the right to ten votes.

The right to vote for treasury shares held by the Company is suspended pursuant to Dutch law and the Articles of Association.

g) On 22 July 2021, the global settlement agreement reached by the Company, Fininvest S.p.A. and Vivendi S.A. was concluded, ending their disputes, with the parties waiving all pending proceedings and lawsuits. In particular, Fininvest acquired 5.0% of the share capital of Mediaset (now MFE) held directly by Vivendi, at the price of Euro 2.70 per share (considering the coupon detachment and relative payment, on 19 July and 21 July 2021 respectively). As part of wider-ranging agreements, Vivendi committed to gradually selling on the market the entire share of 19.19% of the Company held by Simon Fiduciaria over a five-year period. Fininvest has the right to purchase any unsold shares in each 12-month period, at the annual price established.

On 18 November 2021, the Company, Fininvest and Vivendi agreed to amend some parts of agreements reached on 3 May 2021 and 22 July 2021, to take account of the two-tier share structure introduced (see the Press Release published on 18 November 2021 and available on the Company's website). With reference to Vivendi's commitment to sell the entire share currently held by Simon Fiduciaria in MFE on the market over a five-year period, current agreements establish that a fifth of ordinary class A shares and ordinary class B shares are sold each year (staring from 22 July 2021) at a minimum price of Euro 1.375 in year 1, Euro 1.40 in year 2, Euro 1.45 in year 3, Euro 1.5 in year 4 and Euro 1.55 in year 5 (unless Vivendi authorises the sale of these shares at a lower price); in any case, Vivendi will be entitled to sell its quota of ordinary class A and/or ordinary class B shares held through Simon Fiduciaria at any time, if their price reaches Euro 1.60. The above does not affect Fininvest's right to purchase any unsold shares in each 12-month period, at the new annual price established.

h) The appointment, suspension and dismissal of members of the Council are governed by Art. 14 of the Articles of Association. The amendment of the Articles of Association of the Company is governed by Art. 37 of the same.

i) The powers of Board Directors are defined in the Articles of Association and in the Regulations of the Board. As regards, in particular, the possibility of shares being issued or repurchased, the Board may decide to issue shares if and to the extent that it has been authorised to do so by the ordinary shareholders' meeting. This authorisation may be given on each occasion for a maximum of five years and may be extended on each occasion for the same maximum period of five years. The authorisation shall establish the number of shares which may be issued by resolution of the Board. The issue of shares is subject to the provisions of Art. 2:96 and 2:96a of the DCC.

The Shareholders' Meeting held on 7 June 2023 authorised the Board of Directors to purchase a maximum number of the Company's shares of up to 20% of the share capital (represented by category A and category B shares) issued by MFE on the date of the relevant transactions, in order to, among other things, ensure the coverage of the remuneration plans set up by the Company, finance M&A transactions and allow the Board to carry out share buyback programmes (category A and/or category B) if deemed in the best interest of the Company and its shareholders.

The Shareholders' Meeting also stipulated that the authorisation could be exercised for a period of 18 months from the date of the Shareholders' Meeting and in any case until 7 December 2024 and replace the authorisation granted by the Shareholders' Meeting of 29 June 2022.

The Shareholders' Meeting also resolved, with a corresponding amendment to the Articles of Association, to carry out a stock split of both classes of shares - category 'A' ordinary shares and category 'B' ordinary shares - according to which:

(i) each 5 Ordinary A Shares were regrouped into 1 new Ordinary A Share, with the nominal unit value of each new Ordinary A Share being maintained at the pre-grouping amount, i.e. Euro 0.06; and

(ii) each 5 Ordinary B Shares were regrouped into 1 new Ordinary B Share, with the unit nominal value of each new Ordinary B Share being maintained at the pre-grouping amount, i.e. Euro 0.60,

all, subject to the repurchase and cancellation of 4 Ordinary A Shares and 4 Ordinary B Shares and concurrently with the reduction of the share capital.

j) The Company is not party to significant agreements that become effective, or end, in the event of a change in control of the company following a takeover bid.

k) The Company has not entered into any agreement with a Board Director or employee that envisages compensation in the event of resignation or dismissal without just cause, or in the event of resignation or dismissal or in any case the termination of employment as a result of a public purchase offer pursuant to Article 5:70 of the Dutch Financial Supervision Acts.

Shareholders' meeting

The Ordinary Shareholders' Meeting (the “Meeting”) is held each year, at the latest in June. Further Shareholders' Meetings shall be held whenever the Board deems it necessary, subject to the provisions of Articles 2:108a, 2:110, 2:111 and 2:112 of the DCC.

The purpose of the Shareholders' Meeting is to discuss, among other things, the annual report, the adoption of the annual accounts, the allocation of profits (including the proposal for the distribution of dividends, governed by a specific Policy adopted by the Board on 17 May 2022), the discharge of Board members from liability for their management and supervision, and other proposals brought up for discussion by the Board of Directors.

Convening the Shareholders' Meeting

The Shareholders' Meeting is convened by the Board of Directors or the Chairman no later than forty-two days prior to the meeting. The agenda of the Shareholders' Meeting is drawn up in compliance with applicable provisions of the DCC and the DCGC.

Shareholders and/or other persons entitled to attend the Shareholders' Meeting who, individually or jointly, meet the requirements of Art. 2:114(a)(2) of the DCC, have the right to request the Board to include items on the agenda of the Shareholders' Meeting in the manner provided for in Art. 30.5 of the Articles of Association.

All notices and announcements for Shareholders' meetings and all other notices to shareholders and parties entitled to take part in Shareholders' Meetings are provided in compliance with legal provisions and regulations applicable to the Company, also due to the listing of shares on relevant stock exchanges. The notice and documentation concerning items on the agenda are published, in accordance with law, on the Company's website and according to other procedures established by applicable regulations.

Shareholders' Meetings are held in Amsterdam (Netherlands) or at Haarlemmermeer (including Schiphol Airport – Netherlands), at the discretion of the parties convening the shareholders' meeting. Shareholders' Meetings may also, when and where possible under applicable law, be held electronically in the manner set forth in Art. 31 of the Articles of Association.

The notice convening the meeting includes the information required by law.

With specific reference to the Ordinary and Extraordinary Shareholders' Meetings held during the year under review, the Company provided for participation in the Shareholders' Meetings both physically and through the Agent, Computershare S.p.A.. At the Extraordinary General Meeting held on 15 March 2023 and at the Annual General Meeting held on 7 June 2023, shareholders were also given the possibility to request an attendance card to follow the meeting by audio cast, without the possibility of speaking.

Each shareholder entitled to participate in the Shareholders' Meeting may be presented, through written proxy, in accordance with law. The notice convening the Shareholders' Meeting must contain all the relevant information.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or his replacement. However, the Board may also appoint another person to chair the Shareholders' Meeting. If the chairmanship of the Shareholders' Meeting is not established, the Shareholders' Meeting shall elect a chairman, provided that, until such time as such election has taken place, the chairmanship shall be assumed by a member of the Board designated for this purpose by the directors present at the Shareholders' Meeting.

Generally, all directors take part in Shareholders' Meetings.

The independent auditors of the Company are authorised to take part in and speak at Shareholders Meetings.

During the Shareholders' Meeting convened to approve the Financial Statements, the Board reports on activities carried out and on the reports comprising the annual financial report, made public beforehand in accordance with law and regulations, and also replies to requests for clarifications from shareholders.

All decisions of the Shareholders' Meeting are passed by the absolute majority of votes cast at the Meeting, regardless of the share capital present or represented. In the case of equal votes, the proposed resolution will be rejected. Each ordinary class A share carries the right to one vote. Each ordinary class B shares carries the right to ten votes. The notice of the Shareholders' Meeting indicates, among other things, how shareholders may exercise their rights even before the Shareholders' Meeting. In determining how many votes are cast by shareholders, how many shareholders are present in person or represented, or to what extent the capital subscribed by the Company is represented, the shares for which votes cannot be cast in accordance with law, are not considered.

The Shareholders' Meeting has all powers established by law and by the Articles of Association.

The Company Secretary will keep a list of parties attending each ordinary Shareholders' Meeting. With reference to each participant or party represented entitled to vote, the list will consider the name, number of votes exercised and, if necessary, the name of their representative.

The minutes of the Shareholders' Meeting are kept by or under the supervision of the Secretary of the Company and made available on the Company's website no later than three months after the end of the Meeting. From the time when the minutes are published, shareholders have three months to suggest amendments or additions, after which the minutes will become final and will therefore be adopted.

Relations with Shareholders. Engagement Policy and Stakeholder Dialogue Policy

The financial communication programme in 2023, was implemented through events, including virtual ones, with investors from different countries. Conference calls in audio webcasting (available as podcasts on the Company's website) regarding financial results were held quarterly, and the Company took part, through its representatives, in various sector conferences held through streaming. These activities integrated the daily interaction with the numerous investors who come into contact with the Company through the Investor Relations Team.

Economic and financial information (financial statements, interim reports and additional periodic financial information, presentations to the financial community and the trading performance of financial instruments issued by the Company) as well as information of interest to shareholders in general (press releases, the composition of company boards, minutes of shareholders' meetings as well as documents and information on corporate governance, compliance and whistleblowing) are available on the Company's website. The Sustainability Report is also available on the same site.

In its meeting of 18 September 2021, the Board of Directors adopted the "Policy to manage engagement with shareholders in general". To establish ongoing relations with shareholders based on an understanding of reciprocal roles, the Board appointed Marco Giordani, Chief Financial Officer of the Group, as Head of shareholder relations. For this purpose the Chief Financial Officer is assisted by the following two departments that report directly to him:

- Corporate Affairs Department, which monitors relations with Retail Investors and Institutional Bodies (AFM, Consob, Borsa Italiana, CNMV);
- the Investor Relations Department, which oversees relations with the Financial Community (Financial Analysts, Institutional Investors and Rating Agencies).

Contact information for the Corporate Affairs Department and the Investor Relations Department is available on the Company's website.

On 22 December 2023, the Board of Directors adopted a 'Stakeholder Dialogue Policy' through which the Company is committed to maintaining a meaningful dialogue with stakeholders, including investors, employees, creditors, business partners, community members and other interested parties in order to establish a framework for maintaining an open, transparent and inclusive Stakeholder Dialogue. This Policy is available on the Company's website.

Code of Ethics

The Company has a Code of Ethics - approved by the Board of Directors on 18 September 2021 in compliance with Dutch law/regulations - which sets out the values that MFE acknowledges, accepts and shares, at all levels, in its business activities.

The provisions of the Code of Ethics convey the fundamental principles and values that inspire the Company and Group, and also indicate the general obligations of diligence, fairness and loyalty that must characterise work activities and conduct in the workplace.

MFE and its subsidiaries, in carrying out their activities, comply with laws and regulations in force in all countries where they operate, and they act in compliance with principles of loyalty, fairness, responsibility, freedom, the dignity of the person and respect for diversity, rejecting all forms of discrimination.

The Code of Ethics was adopted with the aim of defining and/or confirming values, compliance with which is fundamental for performing activities properly, for a reliable management and image, convinced that ethics in doing business lies behind a business's success.

The principles and provisions of the Code of Ethics, which form a basic value common to all Group companies, are binding for the members of company boards, for all persons that are employed by the Group and who operate with Group companies in any capacity, regardless of their relationship of employment, which may also be temporary.

During all stages of its growth, the Group has pursued as a primary goal the protection of its stakeholders' interests, and has also been committed to the social dimension - considered as a real investment for businesses.

The Code of Ethics represents, among others, a foundation for company compliance programmes, based on specific procedures, and the Group's overall internal control system. MFE ensures information on the Code of Ethics and its adoption is provided and circulated to all target subjects, so that everyone operating - in any capacity - for the Group, carries out their activity and/or duties strictly complying with the principles and values of the Code. The Code of Ethics is published on the MFE Group website (https://www.mfemediaforeurope.com/it/governance/compliance/).

To protect company interests, the Code of Ethics also envisages sanctions for people who are liable for violations of the Code's provisions, and of company procedures in force.

Violations of the Code of Ethics and any unlawful acts and/or irregularities (even suspected) may be reported to the Whistleblowing Committee, appointed by the Board of Directors, through the appropriate internal channels established by the Company in accordance with current Community and national legislation on whistleblowing, which ensure absolute confidentiality on the identity of the whistleblowers and guarantee them maximum protection against retaliatory attitudes or any form of discrimination or penalty[51].

Inside information

The Procedure to Manage and Report Inside Information (the "Procedure") was adopted pursuant to the Market Abuse Regulation (Regulation (EU) No 596/2014), in order to comply with laws and regulations, also at European level, applicable to insider trading. On 18 September 2021, the Board approved the update to the Procedure, in view of the Transfer of the Company, acknowledging, among others, that the competent authority for the purposes of delays in disclosing inside information is still the Supervisory Authority for the Italian market, CONSOB.

The Procedure governs the internal management of inside information concerning the Company and its subsidiaries, and its disclosure to the public, as well as the operation of the "Insider List". The Inside Information Procedure is an essential element of the internal control and risk management system of MFE and is part of the rules and regulations adopted by it to prevent the commission of offences and crimes.

The Procedure applies, with binding effect, to directors, auditors, employees of MFE and its Subsidiaries as well as to external parties acting in the name and on behalf of the Company and its Subsidiaries and who, for any reason, have access to information concerning MFE and its subsidiaries.

The directors of the Company and in general all other recipients of the Procedure are required to keep documents and information acquired while carrying out their duties confidential, with particular reference to inside information. Notices to the authorities and public are issued according to the terms and procedures of applicable

[51] The whistleblowing system adopted by the Company is regulated under the following policies: i) MFE Group General Principles; ii) MFE Whistleblowing Policy. To these are added the procedures adopted by locally controlled companies, in accordance with the regulations in force in the countries in which they operate. Details and information regarding the use of internal channels and, in general, the company procedures for making reports can be found in the appropriate section of the MFE Group's corporate website, available at www.mfemediaforeurope.com/it/governance/compliance/.

regulations, in compliance with the principle of fair disclosure and as required by the Procedure. The Company has disseminated the Procedure to its own personnel and to those of its subsidiaries, also by means of publication on the company intranet and on the Company's website (https://www.mfemediaforeurope.com/it/governance/corporate-regulations/), and has also continued to train the competent entities on the process of managing inside/significant information.

Internal Dealing

The Internal Dealing Procedure was adopted pursuant to the Market Abuse Regulation (Regulation (EU) No 596/2014). On 18 September 2021, the Board approved the update to this procedure, amended on 1 March 2022, in view of the Transfer of the Company. Based on this Transfer, the competent authority which must receive disclosure on transactions in financial instruments with significant parties and persons closely related to them is the Supervisory Authority for the Dutch Market (AFM). The purpose of the Internal Dealing Procedure is to govern, on a mandatory basis, the performance, also through third parties, of transactions in financial instruments of the Company by significant persons and persons closely related to them, and related disclosure. The Internal Dealing Procedure is an essential element of the internal control and risk management system of MFE and is part of the rules and regulations adopted by the Company.

In particular, an “Internal Dealing Officer” was appointed from the Corporate Affairs Department of MFE, to prepare and update, among others, the insider list, send notices to significant parties of their identification, provide disclosure to the AFM on information received from significant parties and the resignations of any board member, systematically file documentation concerning the identification of significant parties and closely related persons sent to the AFM and monitor changes to internal dealing policies and regulations.

Lastly, in compliance with the Regulation on Market Abuse and the Internal Dealing Procedure, significant persons are prohibited from performing transactions within 30 calendar days from the announcement of the draft annual financial statements and interim financial report which the company publishes in accordance with law or on a voluntary basis (Black Out Periods).

Compliance with the Dutch Corporate Governance Code

Companies established in the Netherlands whose shares are listed on a regulated stock exchange or similar system are obliged under Dutch law to state in their annual reports whether or not they apply the provisions of the DCGC and, if they do not apply certain provisions, to explain why they have chosen to deviate from their application.

The Company has a governance system comprising a single management board, the Board of Directors («one-tier Board»). Therefore, pursuant to and for the purposes of provisions in section 5 of the DCGC and relative Guidance, the principles that refer to members of the supervisory board are applicable to Non-Executive Directors, and the principles that refer to members of the management board are applicable to Executive Directors.

For the 2023 financial year, the Company declares it has essentially complied with the DCGC, providing the following explanations and considerations with reference to the following provisions:

Principles 2.1.7 (iii) and 2.1.8 of the DCGC: for each shareholder or group of connected shareholders, that directly or indirectly hold more than ten per cent of the company’s shares, there can be no more than one member of the supervisory board (Non-Executive Directors in the one-tier system) that is affiliated or represents them, as provided for in provision 2.1.8, sections vi. and vii. The Shareholders' Meeting appointed two Non-Executive Directors, Marina Berlusconi and Danilo Pellegrino, directors of the controlling shareholder Fininvest S.p.A., as Chairman and CEO respectively.

The Company considers the Composition of the Board to be appropriate however, in that it is consistent with the historic composition of the Board and fully reflects the ownership structure, with a reference shareholder that holds the majority of the shares.

Principles 2.1.9 and 5.1.3 of the DCGC: (independence of the Chairman): DCGC Principles 2.1.9 and 5.1.3 require the Chairman to be an independent director. The current Chairman, Fedele Confalonieri, is a Non-Executive Director, who does not qualify as independent. However, this appointment is considered appropriate because of its historic continuity and considering his exclusive experience and authority demonstrated in past years, also as regards all shareholders. In July 2018, as part of the agreement for the termination of the executive employment of Chairman Fedele Confalonieri, an exceptionally early "severance payment" was agreed to be paid in the event of termination or non-renewal of the Chairman in his current position.The Company does not consider this a deviation from the DCGC as DCGC Principle 3.2.3 applies only to Executive Directors.

Principle 2.2.2 of the DCGC (period of appointment and reappointment): some Non-Executive Directors have been Directors for more than eight years. The Company does not consider this to be a deviation from the DCGC, as these periods only apply from the time of the conversion of MFE into a Dutch N.V..

Principle 2.2.4 of the DCGC (succession plan): the Board of Directors does not consider it necessary at present to adopt a succession plan, given the stable shareholder structure capable of ensuring, if necessary, a rapid appointment process, and the consolidated expertise and managerial abilities of the directors and front line managers, capable of ensuring business continuity.

Principle 2.3.2 of the DCGC: if the supervisory board comprises more than four members, it shall appoint an audit committee, a remuneration committee and a selection and appointments committee from its members. The Company has combined the roles of the latter two committees, in a single committee called the Nomination and Remuneration Committee. Given its organisational structure, the Company believes that channelling expertise into a single committee facilitates the performance of the duties assigned to it.

Principle 2.3.6 (ii) of the DCGC (Deputy Chairman of the Board of Directors): pursuant to Article 15.2 of the Articles of Association of the Company, the Board of Directors may appoint one or more Non-Executive Directors as Chairmen for a period to be determined by the Board. However, the Company did not appoint any Director as Deputy Chairman of the Board of Directors.

Principle 3.1.2 (vi) of the DCGC (Remuneration Policy): The medium-long term incentive plan is a plan divided into three three-year cycles, which has the aim of ensuring growth in the value of the company by aligning the interests of management with those of the shareholders and incentivising management to achieve sustainable results in the time, retaining key resources and ensuring an adequate level of competitiveness of remuneration. To achieve these objectives, the plan provides that the beneficiaries hold the shares for five years after the assignment for 20% of the shares, bringing for this percentage of shares the total vesting and holding period of the shares to five years (i.e. a vesting period of 36 months and a lock-up period of 24 months for 20% of the shares), while for the remaining 80% of the shares the vesting period is 36 months.

Principle 3.4.1 (iv) of the DCGC (Remuneration Policy): The pay ratio is calculated by comparing the remuneration components of the CEO (fixed remuneration, variable remuneration, medium-long term component paid during the year valued at fair value) to the average remuneration of the employees (calculated by adding the fixed remuneration, variable remuneration, medium/long term paid during the year valued at fair value). In this way, homogeneity and consistency between the remuneration components and the principle of the Dutch Corporate Governance Code are guaranteed, also ensuring continuity with past reported information.

Declaration of Conformity

The Board of Directors is responsible for preparing the annual report in accordance with Dutch law and the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union (EU-IFRS).

In accordance with Article 5:25, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge:

- the financial statements, as included in this report, give a true and fair view of the assets, liabilities, financial position and profit and loss account of the Company and its consolidated subsidiaries;

- the report of the Board of Directors gives a true and fair view of the situation at the balance sheet date and of the development in the financial year 2023 of the Company and its associates whose data have been included in the consolidated financial statements, together with a description of the material risks and uncertainties facing the Company.

17 April 2024

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

Statement by the Board of Directors

The Internal Control and Risk Management System, an essential element of the Corporate Governance system of MFE and the Group to which it belongs (hereinafter also 'MFE Group'), consists of the set of people, tools, organisational structures and corporate rules aimed at allowing the Group to be managed in a sound, correct and consistent manner with the corporate objectives, through an adequate process of measurement, management and monitoring of the main risks and the structuring of adequate information flows to ensure the circulation of information and coordination of the various players.

This system was developed and defined taking into consideration the guidelines of the Dutch Corporate Governance Code, the relevant 'best practices' and the international frameworks 'COSO - Internal Control' and 'COSO - Enterprise Risk Management', issued by the Committee of Sponsoring Organisations of the Treadway Commission and updated in 2013 and 2017 respectively.

The MFE Group's Internal Control and Risk Management System consists of three 'control levels':

First level: entrusted to individual business units, which identify and assess risks and define specific mitigation actions to manage them, ensuring the proper execution of transactions/operations. These control activities are the primary responsibility of the operational management and are considered an integral part of every business process.

Second level: entrusted to specific corporate functions other than line/operational functions, which contribute to the definition of risk measurement methodologies, as well as to their identification, assessment and monitoring. In addition, they provide support to the first level of control in defining and implementing actions to mitigate key risks. These control functions monitor specific risks of compliance with applicable laws/regulations, transversal and sector-specific, and applicable both nationally and internationally, supporting management and top management in defining strategies to respond to these risk factors, in compliance with the decisions taken by the Governance bodies. Among the second level of control, MFE Risk & Financial Compliance Department contributes to the periodic process of identifying, assessing and monitoring corporate risks, based on the application of the Enterprise Risk Management (ERM) methodology, using COSO ERM 2017 and manages the control system in relation to the financial reporting process of the company and of the group.

Third level: entrusted to the Internal Auditing Function, is aimed at assessing the adequacy of the design and effective functioning of the internal control system as a whole, including through the monitoring of line controls and second-level control activities.

MFE's Internal Auditing function supports the Board of Directors in maintaining the effectiveness of controls by independently and objectively assessing the adequacy and effectiveness of the company's internal control and risk management systems. The criteria set out in 'Internal Control - Integrated Framework', the Treadway Commission's Committee of Sponsoring Organisations (COSO framework), are used by MFE's internal audit function to analyse and make recommendations to the Board of Directors on the effectiveness of the Company's internal control framework.

Based on the risk assessments performed, the Board of Directors, under the supervision of the Non-Executive Directors and the Audit Committee, is responsible for determining the overall internal audit activity and monitoring the integrity of MFE's financial statements.

In addition, the Board of Directors is responsible for managing MFE's business risk under the supervision of the Non-Executive Directors and the Audit Committee. By supervising and setting the framework, MFE Risk & Financial Compliance Department ensures that the Group-wide risk profile is managed in line with MFE's risk appetite and that stakeholder expectations are managed both under normal business conditions and under adverse conditions caused by unforeseen events. The Board of Directors is promptly informed of risks to the economic/statutory solvency, reputation and reliability of the Company's financial reporting or operations.

In preparing the consolidated financial statements, the directors and management of MFE have adopted the going concern basis in the reasonable assumption that the Company is and will be able to continue its normal course of business for the foreseeable future.

Material facts, circumstances and risks relating to the consolidated financial position as at 31 December 2023 have been assessed in order to achieve the going concern assumption.

The main areas assessed were financial performance, capital adequacy, financial flexibility, liquidity and access to capital markets, along with factors and risks that may influence MFE's future development, performance and financial position.

Commentary on these areas can be found in the Corporate Governance Report in the section 'Disclosure of Key Risks and Uncertainties Facing the Group' of this Annual Financial Report.

Management concluded that the going concern basis is appropriate based on the Company's financial performance, its continued ability to access capital markets, adequate solvency ratios, and the level of leverage and cash capital of the holding company.

MFE's risk management and control systems provide reasonable assurance of the reliability of financial reporting and the proper preparation and presentation of MFE's published financial statements. However, they cannot provide absolute assurance that misstatement of MFE's financial statements can be prevented or detected.

Based on the above, the Board of Directors of MFE affirms the following in relation to the risks for the financial reporting of the Company:

- The report provides sufficient insight into any deficiencies in the effectiveness of internal risk management and control systems;
- MFE's risk management and control systems provide reasonable assurance that the Company's financial reporting does not contain material misstatements;
- Based on the current state of affairs, it is justified for financial reporting to be prepared on a going concern basis; and
- The report indicates those material risks and uncertainties relevant to the Company's going concern expectation for a period of twelve months after the report was prepared.

The statements in this section are not statements that comply with the requirements of Section 404 of the US Sarbanes-Oxley Act.

Based on the above and the assessment performed, the Board of Directors believes that, as at 31 December 2023, the Group's and the Company's internal control over financial reporting is effective and that:

- the paragraphs "Disclosure of Key Risks and Uncertainties Facing the Group" included in the Board of Directors' Report provide sufficient insight into any deficiencies in the effectiveness of internal risk management and control systems;

- internal risk management and control systems are designed to provide reasonable assurance that financial reporting does not contain material misstatements (see the section "Disclosure of Key Risks and Uncertainties Facing the Group" in the Board of Directors' Report);

- on the basis of the current state of affairs, it is justified to prepare the financial reporting on the assumption that the Company is a going concern (see note 'General Basis of Preparation and Accounting Principles for the

Preparation of Financial Statements' in the Consolidated Financial Statements and the Company's Financial Statements as at 31 December 2023); and

- the Board of Directors' report outlines the material risks and uncertainties relevant to the Company's expectation of continuity for a period of twelve months after the report was prepared (see the section "Disclosure of Key Risks and Uncertainties Facing the Group" of the Board of Directors' report).

17 April 2024

Marco Giordani

Executive Director and Chief Financial Officer

Non-Executive Directors Report

This report has been prepared in accordance with paragraph 5.1.5. of the Dutch Corporate Governance Code (the "DCGC").

MFE-MEDIAFOREUROPE N.V. ("MFE" or the "Company") is subject to Dutch law and to the DCGC and has chosen to adopt the one-tier governance model, in which both Executive and Non-Executive Directors sit on the Board of Directors, with Non-Executive Directors accounting for the majority in accordance with the Articles of Association.

Non-Executive Directors

There are ten Non-Executive Directors on MFE's Board of Directors: Fedele Confalonieri (Chairman), Stefania Bariatti, Marina Berlusconi, Marina Brogi, Raffaele Cappiello, Costanza Esclapon de Villeneuve, Giulio Gallazzi, Danilo Pellegrino, Alessandra Piccinino and Carlo Secchi. In addition, there are five Executive Directors.

The table below shows the main personal details of each of the Non-Executive Directors:

Member, age, gender, nationality	Main office	Date first appointed*	Current date of appointment**	End of office***
Fedele Confalonieri **86, M, Italian**	Chairman	16/12/1994	23/06/2021	31/12/2023
Marina Berlusconi **57, F, Italian**	Non-Executive Director	28/07/1995	23/06/2021	31/12/2023
Stefania Bariatti **67, F, Italian**	Chair of the Nomination and Remuneration Committee Member of the Environmental Social and Governance Committee	23/06/2021	23/06/2021	31/12/2023
Marina Brogi **56, F, Italian**	Chair of the Environmental Social and Governance Committee Member of the Nomination and Remuneration Committee Member of the Related Parties Transactions Committee	27/06/2018	23/06/2021	31/12/2023
Raffaele Cappiello **55, M, Italian**	Member of the Audit Committee	27/06/2018	23/06/2021	31/12/2023
Costanza Esclapon de Villeneuve **58, F, Italian**	Chair of the Related Parties Transactions Committee	27/06/2018	23/06/2021	31/12/2023

Giulio Gallazzi **60, M, Italian**	Member of the Environmental Social and Governance Committee	27/06/2018	23/06/2021	31/12/2023
Danilo Pellegrino **66, M, Italian**	Non-Executive Director	27/06/2018	23/06/2021	31/12/2023
Alessandra Piccinino**** **61, F, Italian**	Chair of the Audit Committee Member of the Related Parties Transactions Committee	29/04/2015	23/06/2021	31/12/2023
Carlo Secchi**** **80, M, Italian**	Member of the Audit Committee Member of the Nomination and Remuneration Committee	20/04/2006	23/06/2021	31/12/2023

* The date of first appointment of each director means the date on which the director was appointed to the Mediaset S.p.A. Board of Directors for the first time (ever).

**The current Board of Directors was appointed by the Shareholders' Meeting of 23 June 2021. On 18 September 2021, the company transferred its registered office to the Netherlands and became a Dutch N.V..

***The term of office will end on the date of the General Shareholders' Meeting to approve the financial statements of the Company for the year ended 31 December 2023.

**** with competence in accounting and/or auditing.

More information on the professional background of each Non-Executive Director and their attendance at Board and Committees meetings can be found in the Corporate Governance Report in the section entitled "Role of the Board of Directors".

Some Non-Executive Directors have been in office for more than eight years. However, the Company does not consider this a deviation from the DCGC, as the Company only became subject to the DCGC upon its transformation into a Dutch company. Since then, the Company has applied the calculations referred to in provision 2.2.2 of the DCGC.

Oversight

Pursuant to Article 16.4 of the Company's Articles of Association, Non-Executive Directors must oversee the performance of duties by the Executive Directors and the management of the Company's business and related affairs, and must discharge such other duties as may be assigned to them by the Articles of Association or the Board of Directors.

Non-Executive Directors, in their role as members of the Board of Directors, participate in Board resolutions designed to establish the Company's strategy. Through their work on the Committees and their meetings with the Company's management, Non-Executive Directors also oversee the definition, implementation and monitoring of the Company's long-term value creation strategy and its associated risks, and the creation of a sustainable long-term value creation culture. They also oversee the Company's policies and their implementation, focusing on the effectiveness of the risk management and internal control system and the integrity and quality of financial information, while also ensuring that they constantly receive a complete and adequate flow of information from the Executive Directors, the Audit Committee and the Company's management to be able to perform their supervisory role.

The matters to be resolved by the Board of Directors are first examined in detail by the Non-Executive Directors at meetings attended by the relevant managers of the Company and, where necessary, by external consultants.

The supervisory activities of the Non-Executive Directors at these meetings, at the meetings of the Board of Directors and at the meetings of their Committees, include overseeing:

- the periodic monitoring of strategic risks in accordance with the Enterprise Risk Management methodology;
- the assessment of the materiality matrix for the Sustainability Report at 31 December 2023;
- the preparatory steps enabling the Board to make evaluations and decisions relating to, among other things, the approval of the Annual Report and the preparation of the Sustainability Report at 31 December 2023;
- the review of the Audit plan, the activities of the Internal Auditing function – including in terms of validating that the Company's Internal Control and Risk Management System is functioning and adequate, pursuant also to the provisions of the DCGC;
- the detailed monitoring of cyber security risks;
- the periodic review of the Related Party Transactions entered into by the Company;
- the review of extraordinary transactions and proposals to amend the Articles of Association;
- the review of the Compensation Policy and the Compensation Report, which is then proposed to the Board, to then be submitted to the Shareholders' Meeting;
- the Sustainability Plan and related Environmental Social and Governance initiatives launched by the Company for 2023, their integration into the business strategy and the performance review of the 2022 ESG goals to be discussed with a view to defining the elements to be included in the ESG scorecard for the Annual Incentive System 2023.
- the existence – undetected during the reference period – of any conflicts of interest or potential conflicts of interest that may exist with regard to a transaction that is of material importance for the Company and/or for the Director concerned;
- the independence of Non-Executive Directors and the number of offices they hold;
- the production and adoption of a Stakeholder Dialogue Policy.

The Non-Executive Directors constantly monitored the implementation and correct application of the Company's policies[52], in line with the best practices applicable under the DCGC, and developments in legislation and compliance concerning the updates to the DCGC by the Corporate Governance Code Monitoring Committee, which entered into force for the financial year commencing 1 January 2023.

More specifically, the Board of Directors proceeded as follows: on 14 February 2023, it updated the Enterprise Risk Management (ERM) and the Adequacy of Financial Reporting Policy; by written resolution of 9 June 2023, it approved the Cross-Border Intercompany Transactions Policy; on 22 November 2023, it updated the Related Party Transactions Policy; and by written resolution of 20 December 2023, it approved the Stakeholder Dialogue Policy.

The Non-Executive Directors met on 28 March 2023 with an attendance rate equal to 8/10. The Non-Executive Directors Stefania Bariatti and Marina Berlusconi were justified absents.

[52] Company policies such as the Diversity Policy, Dividend Policy, Engagement Policy, Stakeholder Dialogue Policy, Management and Disclosure of Inside Information Procedure, Internal Dealing Policy and Related Parties Transactions Policy are available on the Company's website.

Diversity Policy and Targets

The Board of Directors supports diversity as recognized and described in the Diversity Policy adopted on 18 September 2021, which is available on the corporate website. The Policy considers the elements of a diverse composition in terms of nationality, gender, age and background, including expertise and experience. It is the aim of the Company to reflect this also in the composition of the Board of Directors. Currently, the Board of Directors is composed of 15 members, 9 male and 6 female, fulfilling the goal of having at least 30% male and at least 30% female members. The Executive Directors are 5, 4 male and 1 female, and the Non-Executive Directors are 10, 5 male and 5 female. Notwithstanding the foregoing, it is recognized that the gender representations among Executive Directors and Non-Executive Directors leaves room for a more balance distribution.

The Board of Directors, with the support of the Nomination and Remuneration Committee, takes into account all diversity elements, including the gender balance, as is considered best practice under the DCGC and the DCC of the Diversity Policy when identifying candidates for nomination as member of the Board of Director.

Regarding the definition of "Sub-top", it includes all those belonging to the Managers.

Demonstrating the ever-increasing importance that the Company attributes to diversity and inclusion issues, in 2023 the ESG guidelines issued by MFE Group expressed goals connected with pay equity, stating the Company's intention to maintain the current levels of distribution and pay equity for each category, considered positive, through recruitment and professional development policies that promote growth of the less represented gender in managerial roles.

The Non-Executive Directors have, therefore, commenced the process of analysing and aligning the Diversity Policy – also in view of the imminent appointment of the new Board of Directors – to establish and introduce the inclusion principles set forth in the latest update of the DCGC and in the DCC regarding the membership of Executive and Non-Executive Directors on the Board. This will also apply to members of the Sub-top category.

Independence of Non-Executive Directors

A majority of Non-Executive Directors must meet the independence requirements set forth in the DCGC.

Meeting on 13 February 2024, the Non-Executive Directors confirmed that the number of Non-Executive Directors with independence status was unchanged at seven, and therefore the independence requirement continued to be met. The Non-Executive Directors also note that two Non-Executive Directors, Marina Berlusconi and Danilo Pellegrino, are affiliated with a shareholder holding 10% or more of shares in the Company, rather than only one as provided for by the DCGC.

Therefore, the Company departed from the provisions of paragraph 2.1.7 of the DCGC in the case of those Non-Executive Directors. In accordance with the "comply or explain" principle established by the DCGC, the reasons for these choices have been explained in the section of the Corporate Governance Report entitled "Compliance with the Dutch Corporate Governance Code".

That said, the majority of Non-Executive Directors are Independent Directors, as prescribed by paragraphs 2.1.7 and 2.1.8 of the DCGC, the provisions of which – it bears noting – only became applicable to the Company and computable from 18 September 2021.

Evaluation by Non-Executive Directors

Each of the Non-Executive Directors attend the meetings of the Committees of which they are members, as established by the Board pursuant to the Articles of Association and in compliance with the applicable provisions of the DCGC. These Committees, which carry out oversight and support tasks as well as forwarding proposals to the Non-Executive Directors and the Board of Directors, are as follows: the Audit Committee; Nomination and Remuneration Committee; Environmental, Social and Governance Committee; and Related Parties Transactions Committee.

More information on the membership, duties, meetings, attendance and activities of the Board of Directors and of Committees can be found in the Corporate Governance Report in the sections entitled "Role of the Board of Directors" and "Board Committees".

Ahead of the meeting of Non-Executive Directors of 30 January 2024, the same Non-Executive Directors received a report from each of the Committees on their activities carried out.

The Non-Executive Directors met in the absence of the Executive Directors on 30 January 2024 and then again on 13 February 2024.

The Non-Executive Directors conducted the process of evaluating the functioning, composition and size of the Board of Directors and the Committees, and of evaluating the Chairman of the Board of Directors and each of the Executive and Non-Executive Directors to determine, among other things, whether there is a good balance and mix of industry knowledge, education and training, financial expertise, work experience, management skills and diversity.

The Nomination and Remuneration Committee set forth the procedure for conducting this evaluation in compliance with the provisions of the DCGC, availing itself for this purpose of an external advisor (Spencer Stuart, the "Advisor"), who structured the process as follows:

- individual completion of questionnaires, which had been drawn up with the support of the Corporate Affairs Department and included the End of Tenure Report;
- one-to-one meetings with the Advisor (by video link) following completion of the survey to enable a broader discussion of the proposed topics and to gather comments and suggestions from individual directors. All analyses and comments were processed entirely anonymously and confidentially to prevent the persons making them from being identified;
- there was a focus on identifying and implementing any improvement actions that emerged during the evaluation and self-assessment.

The findings of the evaluation process were shared at the meeting of the Non-Executive Directors on 30 January 2024, at which the Advisor was in attendance.

The main outcomes were as follows.

At the end of the tenure of MFE's Board of Directors, the situation was extremely positive. According to the Directors, key elements that influenced the functioning of the Board included the ease with which discussions and debates were held, the Board's balanced composition and mix of expertise, and the effectiveness of the decision-making process.

The cohesion among the Directors and their in-depth discussions helped to construct a positive working environment. The constructive input of the Non-Executive Directors was particularly appreciated, complementing the experience of the managers and Executive Directors. This synergy among Board members facilitated the achievement of the goals that had been set, again reflecting the profound commitment shared by all Directors towards the Company's interests.

The strengths that emerged included the increased strategy-sharing by management, the practice of interacting before Board meetings and the gradual consolidation of the group's dynamics.

With regard to the Board's composition, there is a general consensus that the right balance between Executive, Non-Executive and Independent Directors must be protected.

The current composition of the Board is considered adequate, with its combination of different skills and balanced outlooks serving as a strength. This diversity over the three-year tenure helped to foster discussion and debate over issues and ensured that the Board made informed decisions.

Looking ahead, the Directors were asked to provide input on what might constitute an "ideal" composition of the next Board so as to provide Shareholders with suggestions when preparing the list of candidates.

All Directors agreed that, in the next term, there must be professionals from a diversity of backgrounds and with mutually complementary skills. It may be useful to strike a balance between the need for renewal and the need for continuity so as to leverage some of the existing Directors' acquired knowledge of the Company.

Among the skills that should be accommodated in the next Board, the following emerged as priorities:

- specific experience of MFE's target business, ideally acquired in the senior-level positions;
- a high level of international experience, which can contribute to strengthening MFE's internationalisation strategy.

In terms of operational matters, there was general satisfaction with the number and frequency of Board meetings and the effectiveness of the Board's work. Overall, Directors were satisfied with the clear explanation of the items on the agenda, the documentary support generally made available in advance of meetings and the opportunities for further study afforded to Non-Executive Directors, in particular in anticipation of Board meetings.

The documentation provided was deemed adequate, as it enabled Directors to accurately evaluate the items on the agenda.

The interaction between Executive and Non-Executive Directors when it came to passing Board resolutions was particularly appreciated. The Non-Executive Directors' assessment of Executive Directors was unanimously positive, with particular appreciation for their competence, openness to debate and clarity of intervention. The Chief Executive Officer was particularly appreciated for the qualities of leadership, business vision and strategic direction of the Group.

All Directors expressed appreciation for the content, frequency and depth of the induction activities which the Company put in place for Directors. Particular regard was held for the preliminary meetings that were always scheduled prior to the main Board meetings, at which Directors had the opportunity to delve into the issues on the Agenda, with direct support from several of the Executive Directors who attended them systematically.

With regard to the Committees, the Directors agreed that the Committees functioned well, that they discharged their preparatory functions in an informed manner and that they were committed to reporting clearly to the Board. Overall, Committee members felt that they discharged their functions well, that they acted with autonomy and authority, and that they supported the Council effectively on the issues within their remit.

More information on the role, membership and activities of the Committees can be found in the Corporate Governance Report.

Directors were able to act with all information at their fingertips, in particular as regards business management and performance. This was also largely due to the productive exchange and direct interaction with management at Board meetings and, in particular, within the Committees themselves.

The Directors unanimously expressed that they were fully aware of the role and responsibilities assigned to the Board itself, as well as the functions and fiduciary duties of each Director.

All Directors felt free to express their ideas freely, demonstrating a constructive spirit even in the presence of different approaches and opinions.

By the end of its tenure, the Board had made significant progress year on year and demonstrated a cohesive working approach geared towards making continuous improvement throughout the three-year period.

They were unanimous in their praise and appreciation for the support provided by the Company's secretarial staff.

Regarding the findings of the previous evaluation process, Non-Executive Directors requested in-depth meetings on strategies, market trends, technology, diversity, equity, and inclusion. All these topics have been the subject of specific induction sessions or, in any case, in-depth analysis during the 2023 Board meetings, meeting the goal to provide Non-Executive Directors with more information regarding the above mentioned topics.

At the meeting of Non-Executive Directors held on 13 February 2024, the Directors:

- approved this Report;
- reviewed the Board Profile53 (as required by the DCGC), which gained the favourable opinion of the Nomination and Remuneration Committee and was subsequently approved by the Board of Directors on 14 February 2024 – in doing so, they leaned on the Board skills matrix prepared based on the skills that had been expressed by the serving Non-Executive Directors to guide the selection of the qualitative and quantitative composition of the Board;
- defined a Diversity and Inclusion Policy54 subsequently approved by the Board of Directors on 14 February 2024, which extended the previous Diversity Policy (adopted by the Company on 18 September 2021) in line with the provisions of the DCGC;
- confirmed that the number of Non-Executive Directors with independence status was unchanged at seven, and therefore the independence requirement continued to be met.

Committee Reports

In compliance with paragraph 2.3.5 of the DCGC, each committee provided the Non-Executive Directors with a summary report on the activities carried out in 2023, in accordance with the powers assigned to them[55].

On 18 September 2021, the Board of Directors established:

- an **Executive Committee**, comprising the following Executive Directors: Pier Silvio Berlusconi (Chairman), Marco Giordani, Gina Nieri, Niccolo' Querci and Stefano Sala.

  The Committee discharged its assigned functions and passed a number of resolutions in writing, including appointing members of subsidiaries' Boards of Directors and granting specific powers. The Executive Committee also conducted an evaluation of its own functioning and of that of the Board of Directors and of individual Executive Directors.

  On 28 September 2021, the Board of Directors set up four board committees: the Audit Committee, the Nomination and Remuneration Committee and, on a voluntary basis, the Environmental Social and Governance Committee and the Related Parties Transactions Committee.

[53] Available on the Company's website.
[54] Available on the Company's website.
[55] The responsibilities of the committees are set forth in their Regulations, which are published on the Company's website.

- **Audit Committee**

The Audit Committee comprises the following Independent Non-Executive Directors: Alessandra Piccinino (Committee Chair), Raffaele Cappiello and Carlo Secchi. The Committee was established by the Board of Directors on 28 September 2021.

The Board of Directors also approved the regulations of the Committee, which regulate its operation and duties.

Pursuant to provision 1.5.1 of the DCGC, the tasks of the Committee are geared towards overseeing the integrity and quality of the Company's financial reporting and the effectiveness of its internal risk management and control systems.

In particular, the Committee assists the Board of Directors by advising on the following matters:

(a) the Company's compliance with applicable laws and regulations;

(b) revision of the Company's internal risk management and control systems;

(c) recommendations on appointing independent auditors;

(d) relations with internal and external auditors, as well as compliance with their recommendations and observations;

(e) the Company's disclosure of financial and non-financial information;

(f) Company financing;

(g) the Company's use of ICT, including IT security risks;

(h) the Company's tax policy; and

(i) monitoring and evaluating the reporting of the Company's ESG objectives and programmes.

The Committee reports its decisions and outcomes to the Board of Directors. This report must include at least the information indicated in provision 1.5.3 of the DCGC.

The report includes information on how the Audit Committee has discharged its functions during the financial year and provides information about the composition of the Audit Committee, the number of Audit Committee meetings held and the main topics discussed.

The report also includes the following information:

(a) the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems, as indicated in best practice provisions 1.2.1 - 1.2.3 of the DCGC;

(b) the methods used to assess the effectiveness of internal and external audit processes;

(c) significant observations on financial reporting; and and

(d) the way in which material risks and uncertainties are discussed, according to the best practice provision 1.4.3 of the DCGC, together with a description of the most important results of the Audit Committee.

During 2023, the Committee met ten times and performed the following activities: took note of the outcomes of the Quality Assurance Review of the Internal Auditing Department carried out by the Protiviti Company; took note, without observations, of the "June/December 2022 Reports Summary" and the "Activities Summary 2022" prepared by the Internal Auditing Department; took note of and assented to the "Audit Plan 2023" drawn up by the Internal Auditing Department; reviewed the "Audit Plan 2022" drawn up by the independent auditors; reviewed and took note of the "Audit Plan 2023" and the ERM of the subsidiary Mediaset España Comunicación S.A; approved the appointment by subsidiary RTI S.p.A. of the independent auditors in relation to the "management of the Physical and Environmental Safety of the Company's Technology Areas." endorsed the “Antitrust Compliance Programme”. endorsed the process to define the material issues for the Sustainability Report at 31 December 2022; endorsed the ERM Policy update and the Adequacy of Financial Reporting Policy; took note of and approved the methodology and the various assumptions adopted in the planning for the annual impairment testing process; undertook preliminary steps to enable the preparation of the Sustainability Report at 31 December 2022 and expressed to the Board its endorsement of the analysis and content of the document in terms of the sustainability issues found to be material for the Group, taking into account the relevant activities and characteristics and the data gathering process as a whole; took note of and approved the periodic monitoring of strategic risks in accordance with the “Enterprise Risk Management” methodology; reviewed and took note of the Internal Control and Risk Management System Report at 31 December 2022, prepared by the Internal Auditing Department; approved the Report on the Committee’s activities, including the evaluation of the Committee’s composition and operation; endorsed the outcomes of the preliminary assessments for the approval of the Annual Report 2022 and interim financial reports; took note of the Company's “Leverage Map 2022”; took note of the "Internal Audit Activities Planning Logics”; took note of and endorsed the “Deloitte Accountants B.V. Report to the Board of Directors”; took note of the progress made in the main corrective actions agreed with management at 31 December 2022, as drawn up by the Internal Auditing Department; endorsed the "Cross-Border Intercompany Transactions Policy”; endorsed the adoption of the "MFE Group Tax Strategy." endorsed the proposed adjustment of the Whistleblowing system.

Audit activities were periodically reviewed with the Head of Internal Audit, who attended all meetings at which the main outcomes and corrective actions were discussed with the Committee.

The Committee promptly reported to the Board of Directors on the activities carried out.

- **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises the following Independent Non-Executive Directors: Stefania Bariatti (Committee Chair), Marina Brogi and Carlo Secchi. The Committee was established by the Board of Directors on 28 September 2021 to combine the functions of the former Selection and Appointment Committee and the Remuneration Committee.

The Board of Directors approved the Committee regulations, which regulate its operation and functions.

In the area of appointments, the Committee prepares the Board of Director’s decision-making and reports to the Board its findings from its analysis and preparation work referred to in provision 2.2.5 of the DCGC, including activities concerning the diversity policy and the maximum number of positions held by Directors. The Committee also assists the Board of Directors in its evaluation activities and its committees.

The Committee has the following functions regarding remuneration:

(a) submits a clear, transparent proposal to the Board of Directors on the policy for the remuneration of Board Directors, in accordance with Article 3.1.1 of the DCGC. The Board of Directors presents the policy (which must include the matters indicated in section 2:135a of the Dutch Civil Code) to the Shareholders’ Meeting, for adoption;

(b) prepares the remuneration report in accordance with Art. 2:135b of the Dutch Civil Code and provision 3.4.1 of the DCGC;

(c) periodically assesses the adequacy, overall cohesion and specific adoption of the Policy for individual Board Directors adopted by the Company and submits its proposals to the Board of Directors in this respect;

(d) gives a prior non-binding opinion on remuneration proposals and proposals concerning performance targets for the variable component of the Chief Executive Officer’s remuneration package;

(e) makes proposals to the Board of Directors concerning the criteria, beneficiary categories, amounts, terms, conditions and procedures for share-based remuneration plans.

During 2023, the Committee met five times and, in addition, on one occasion took a number of resolutions in writing.

In matters of remuneration it has, in particular: analysed and took note of the outcomes of the Shareholders' Meeting of 7 June 2023; took note of the adequacy, overall cohesion and specific application of the General Remuneration Policy for the year 2023, approved by the Shareholders' Meeting on 7 June 2023; formulated a proposal to the Board of Directors regarding the General Remuneration Policy for 2023 and 2024 and – in view of the planned, and subsequently completed, merger by incorporation of the subsidiary Mediaset España Comunicación S.A. into MFE-MEDIAFOREUROPE N.V. – assessed the possibility of adapting the Remuneration Policy by designing a short-term and long-term managerial incentive system that is homogeneous between the two countries for the year 2024. The Committee also expressed its prior non-binding opinion on remuneration proposals and proposals concerning performance targets for the variable component of the Chief Executive Officer's remuneration package; prepared the remuneration report in accordance with Art. 2:135b of the Dutch Civil Code and provision 3.4.1 of the DCGC; deliberated on the proposed objectives and beneficiary categories of the third cycle of the 2021/2023 Medium-Long Term Incentive Plan.

In the area of appointments, during 2023 the Committee supported the Board of Directors in the activities and procedures for the annual evaluation of the Board, its Committees and individual Directors and monitored the results of the implementation of the Diversity Policy.

The Committee promptly reported to the Board of Directors on the activities carried out.

- **Environmental Social and Governance Committee**

The Environmental Social and Governance Committee comprises the following Independent Non-Executive Directors: Marina Brogi (Committee Chair), Stefania Bariatti and Giulio Gallazzi. The Committee was established on a voluntary basis by the Board of Directors on 28 September 2021.

On the same date, the Board of Directors approved the Committee regulations, which regulate its operation and functions. The Environmental Social and Governance Committee gives the Board of Directors initial advice to help the Company draw up its environmental, social and governance policies in compliance with its strategy. For this purpose, the Environmental Social and Governance Committee may bring specific environmental, social and governance objectives to the attention of the Board of Directors. The decision to pursue these objectives, or otherwise, and the related implementing programmes are brought to the attention of the Board of Directors and the management of the Company. The Audit Committee periodically monitors and assesses whether the Company is meeting its environmental, social and governance objectives and implementing the related programmes and includes its findings in its report to the Board of Directors.

During 2023, the Committee met once and carried out the following activities:

- took note of and approved the status of the projects and proposed initiatives for 2023 and approved the goals contained in the Sustainability Project, which outlines initiatives in the following areas:
  - **Environmental**: reorganisation of the workspace, green car fleet, sustainable mobility, photovoltaics, "Green Audiovisual" certification for Le Iene, Striscia la Notizia and Dritto e Rovescio productions;
  - **Social**: training, welfare, communication, content monitoring – in particular the project currently underway with the Polytechnic University of Milan to develop an Artificial Intelligence model to calculate the ESG impact of productions;

- **Governance**: performance measurement, green procurement;
- approved the Committee Activity Report, including the Committee Assessment.

The Committee promptly reported to the Board of Directors on the activities carried out.

- **Related Parties Transactions Committee**

The Related Parties Transactions Committee comprises the following Independent Non-Executive Directors: Costanza Esclapon de Villeneuve (Committee Chair), Marina Brogi and Alessandra Piccinino. The Committee was established on a voluntary basis, as it is not required by the laws and regulations in force in the Netherlands, by the Board of Directors on 28 September 2021.

On the same date, the Board of Directors approved the Related Parties Transactions Policy (subsequently amended on 21 December 2021 and then on 22 November 2023) and the Committee regulations (subsequently amended on 21 December 2021 and then on 25 January 2024), which regulate the Committee's operation and functions:

1. The Related Parties Transactions Committee periodically evaluates the Company's Related Parties Transactions Policy and submits its proposals to amend the Policy to the Board of Directors;

2. if a transaction qualifies as a Material Related Party Transaction which is not conducted within the Company's ordinary business or under normal market conditions, without – however – being classed as a (presumed) Excluded Operation, the Related Parties Transactions Committee must give its non-binding opinion to the Board of Directors before the transaction is carried out;

Where:

Material Related Party Transaction means a transaction that:

(a) concerns inside information within the meaning of Article 7(1) of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse; and

(b) is concluded between the Company and:

1) a Related Party;

2) one or more shareholders and/or certificate of deposit holders representing, individually or jointly, at least 10% of the shares and/or certificates of deposits in share capital issued by the Company; or

3) a Board Director.

During 2023, the Committee met four times and periodically reviewed the Related Party Transactions concluded by the Company during the reporting period; approved the Committee's 2022 Report on Activities, including the Committee assessment; approved the amendment to the Related Parties Transactions Policy.

The Committee promptly reported to the Board of Directors on the activities carried out.

REMUNERATION POLICY

Introduction

This remuneration policy approved by the Board of Directors on 17 April 2024, as drawn up by the Nomination and Remuneration Committee of the Board of Directors on 9 April 2024, sets out the principles and guidelines with respect to the remuneration of MFE-MEDIAFOREUROPE N.V. (hereafter MFE) for the year 2024.

The Remuneration Policy is based on the conviction that there is a close connection between the remuneration of the Chief Executive Officer, the Executive Directors, the company performance and the creation of value over the medium and long term.

In this regard, the pursuit of a Remuneration Policy capable of directing business strategy and ensuring full consistency between overall "management" compensation and company performance is a key element for meeting investor expectations and strengthening the confidence of all stakeholders.

Following the Redomiciliation to the Netherlands, the MFE Remuneration Policy has been designed taking into account all applicable laws and regulations, such as Art. 2:135a of the Dutch Civil Code (DCC), the Dutch Corporate Governance Code (DCGC), and the Articles of Association of the Company.

Executive Summary: Key elements of the Remuneration Policy for CEO, Executive Directors and non Executive Directors

<table>
<tr><td rowspan="3">Fixed Component</td><td>Purposes and Main Characteristics</td><td colspan="2">• Compensates responsibilities assigned, experience and distinctive skills possessed.
• Is in line with the best market practices and such as to guarantee an adequate level of retention.</td></tr>
<tr><td rowspan="2">Amount</td><td>CEO</td><td>1,408,000</td></tr>
<tr><td>Executive Directors</td><td>Pay linked to the significance of the position.</td></tr>
</table>

<table>
<tr><td rowspan="3">Variable short-term component</td><td>Purposes and Main Characteristics</td><td colspan="2">• Ensures a direct link between remuneration and performance results; its purpose is to reward the achievement of corporate and personal objectives.
• The system of correlation with the Company's results ensures financial balance and the incentive function of the plan.
• The upfront allocation of a portion of the medium-long term component aims to encourage sustainable performance over time.</td></tr>
<tr><td>Mechanism of correlation with Group results</td><td colspan="2">Group Net Profit and Italy EBIT</td></tr>
<tr><td>Amount</td><td>CEO</td><td>1,600,000
Maximum incidence of short term incentive on fixed remuneration: 107%</td></tr>
</table>

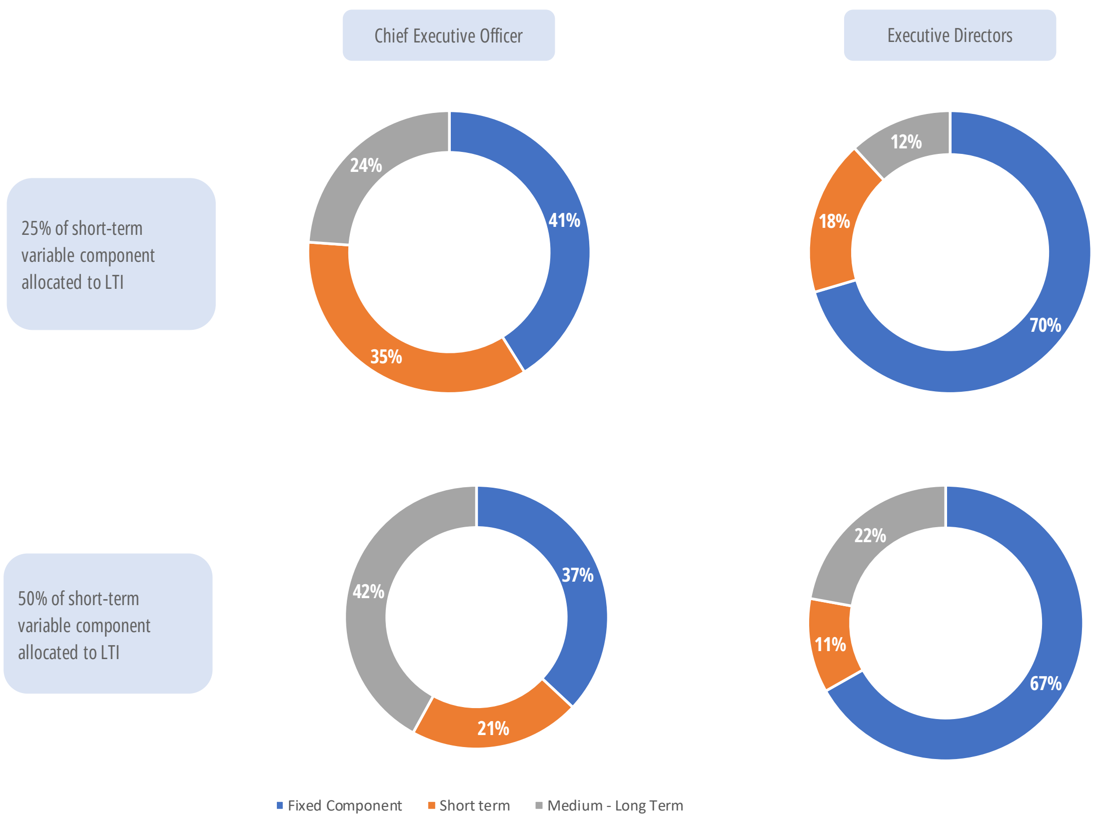
		Executive Directors	560,000 Maximum incidence of short term incentive on fixed remuneration: 32% (average)
	Performance Objectives	CEO	Net Financial Position (45%), Group EBIT (45%) and ESG Scorecard (10%)
		Executive Directors:	Defined according to the scope of assigned responsibility + ESG Scorecard
	Reference	Budget (which corresponds to a 100% payout).	
	Payout scale	Performance range: 91% - 105% Payout range: 10% – 125% (0 if performance <91%)	
	Claw-back and Malus	The plan's regulations allow the Company to utilise the claw-back and malus clauses, which enable the Company, under certain circumstances, to decrease the variable remuneration awarded or clawback variable remuneration already paid, in whole or in part.	

Variable, medium/long-term component	**Purposes and Main Characteristics**	• Ensures the growth of the Company's value and the achievement of results sustainable over time, the loyalty of the Executive Directors, the alignment of the objectives of management with those of the shareholders and the support to the ESG Group Strategy. • Under the plan, recipients may choose to convert 25% or 50% of their short term target bonus to the long term incentive plan into rights to receive shares of the Company; at the same time, the Company attributes a corresponding number of rights to the beneficiary (by means of a matching right).
	Amount	Depending on the short-term portion that the recipients choose to convert, which is doubled by means of the matching right. Maximum incidence of long-term incentive on fixed remuneration: CEO 142%; AE 43% (average)
	Performance Objectives	Free Cash Flow of the Group over the three-year period (40%), Adjusted Group Net Profit over the three-year period (40%), relative Total Shareholders Return (10%), ESG (10%)
	Reference	Three-year forecast for economic and financial indicators (which corresponds to a 100% payout); Competitor panel for TSR, Group ESG Target.
	Payout scale	Performance range: 75% - 125% Payout range: 50% – 125% (0 if performance <75%)

	Vesting	The performance is assessed with a time horizon of three years for each assignment cycle.
	Lock-Up	20% of the shares earned are subject to a lock-up period of two years.
	Claw-back and Malus	The plan's regulations allow the Company to utilise the claw-back and malus clauses, which enable the Company, under certain circumstances, to decrease the variable remuneration awarded or clawback variable remuneration already paid, in whole or in part.

Non -Executive Directors	**Amount**	40,000 € (raised to 60,000 € for the Chairman). Fee of 40,000 € (raised to 50,000 € for the Chairmen) is added for the members of each internal board committee

Theoretical pay mix



Governance model

Bodies and/or individuals involved

The MFE Remuneration Policy is defined clearly and transparently through a shared process involving the Board of Directors, the Nomination and Remuneration Committee, the Shareholders' Meeting and the relevant company department (Central Human Resources, Operations, Technologies and Procurement Department).

The Board of Directors, following proposals by the Nomination and Remuneration Committee, establishes the general compensation policy for the Chief Executive Officer and the other Executive Directors. The Executive Directors do not participate in the discussion and approval of the Remuneration Policy by the Board of Directors.

The Shareholders' Meeting approves the Remuneration Policy at least every four years and in case of any amendments. From 2020, the resolution of the Shareholders' Meeting on the Remuneration Policy is binding, while the Remuneration Report is subject to a non-binding advisory vote by the Shareholders' Meeting.

The Board of Directors is directly responsible for the implementation of the remuneration policy of the Chief Executive Officer and the other Executive Directors for the position they hold in MFE. The CEO and the Central Human Resources, Operations, Technologies and Procurement Department oversee the application of the Remuneration Policy of the Executive Directors.

The authority to establish remuneration for Non-Executive Directors is vested in the Shareholders' Meeting.

As provided for by Art. 2:135a (4) and (5) DCC, any temporary derogations from remuneration policies can only apply in exceptional circumstances, such as where derogation from the Remuneration Policy is necessary to pursue long-term interests and overall sustainability or market longevity and must nevertheless be in line with the principles which guide the Company Remuneration Policy. In such case, the Board of Directors will pass a resolution for a temporary derogation in remuneration matters, as referred to in chapter 3 of this Remuneration Policy, after receiving the opinion of relevant Committees. Also to this effect, the Board of Directors consults experts of professional renown and know-how, after having ascertained their independence and freedom from any conflicts of interests.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee includes three non-executive and independent directors, with proved experience and competences in financial and legal matters whose term in office lasts until the expiry of the mandate of the entire Board of Directors.

The Committee, concerning **remuneration**, fulfils the following tasks:

- in accordance with provision 3.1.1 of the Dutch Corporate Governance Code ("Code"), submits a clear and understandable proposal to the Board of Directors concerning the remuneration policy to be pursued with regard to the Directors. The Board of Directors should present the policy (it should include the matters referred to Section 2:135a of the Dutch Civil Code – DCC) to the Shareholders' Meeting for adoption;
- prepares the remuneration report pursuant to Art. 2:135b of the DCC and provision 3.4.1. of the DCGC;
- periodically evaluates the adequacy, overall consistency and actual adoption of the Policy concerning individual Board Directors, adopted by the Company, submitting related proposals to the Board of Directors;
- gives a prior non-binding opinion on proposals related to the compensation and on establishing performance goals related to the variable part of the compensation package of the Chief Executive Officer;

- makes proposals to the Board of Directors concerning the criteria, categories of beneficiary, amounts, terms, conditions and procedures for the share-based remuneration plans.

Intervention by Independent Experts

On a regular basis, both the relevant company department (Central Human Resources, Operations, Technologies and Procurement Department) and the Nomination and Remuneration Committee analyse the fairness and competitiveness of the remuneration packages of the Chief Executive Officer, in overall terms and for each component. They also consult independent external advisors free from conflicts of interest and/or companies specialised in executive remuneration that are recognised for their reliability and for the comprehensive nature of their databases used for national and international comparisons and their use of standard methodologies to assess the complexity of assigned roles and powers.

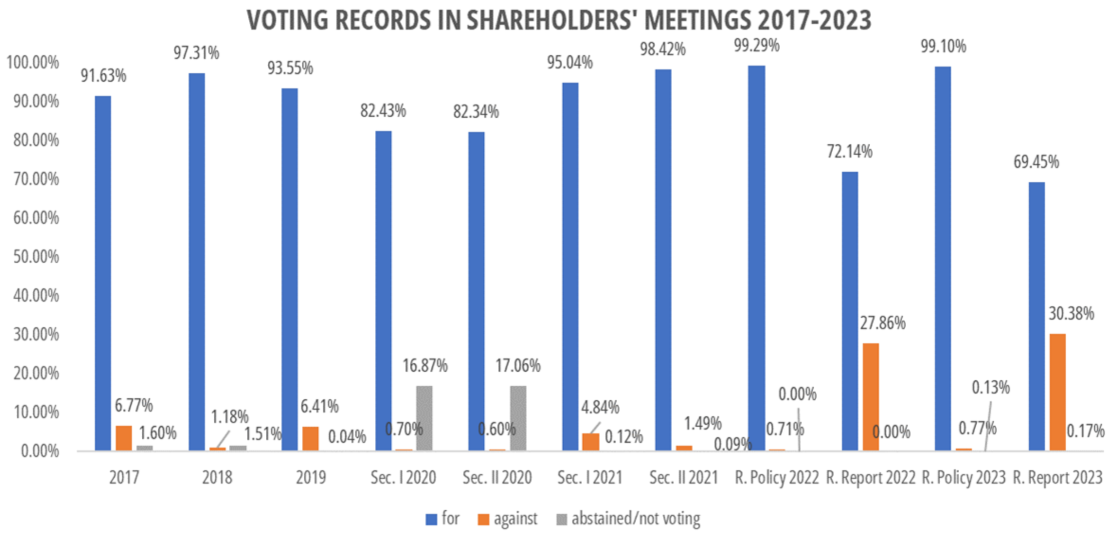
Voting record on the Remuneration Policy

In recent years, the Nomination and Remuneration Committee has paid increasing attention to the voting record of the Shareholders' Meeting on the Remuneration Policy and has given increasing importance to the recommendations on remuneration expressed by proxy advisors. In doing so, it has developed engagement activities and gradually introduced improvements in its policies so as to guarantee maximum alignment with international best practices.

In 2020, the Shareholders' Meeting was convened for the first time to express a consultative vote on the second section of the Report on Remuneration, related to the compensation paid in 2019.

Despite there being essentially zero votes against, conversations with the Proxy Advisors and consideration of their recommendations led the Group to increase the level of disclosure within this Report, with particular reference to the targets of the incentive systems, a feature that also distinguishes this year's Report.

This improvement trajectory has led to a gradual increase in shareholder consent, above 99%, as shown in the following graph related to Remuneration Policy.



* The votes of the years 2017-2019 refer to the Remuneration Report in its entirety; starting from 2020, separate voting has been introduced for the two sections.

Main changes in the Remuneration Policy

The main changes introduced by this Remuneration Policy concern the CEO's remuneration and the long-term incentive plan. After considering the growing complexity and dimension managed by the group, deriving from the internalization process, it was considered to revise the remuneration of the CEO of MFE. For this, a remuneration benchmark was commissioned to a primary consultancy firm, which confronted the CEO's remuneration with some peer European companies. After this consultation, it was decided to redetermine the CEO's remuneration to make it more coherent with the ones in the market. The proposed increase regarded the short-term variable component of the remuneration (increased to 1.6 million euro), since its incidence on total was not aligned with peers. This way, also thanks to the allocation of part of this component to the long-term variable bonus and the subsequent matching by the company, the results are a better alignment between the remuneration of the CEO and the company performance and a pay-mix in line with the market best practices.

With reference to the medium-long term incentive plan, this policy proposes a new medium-long term incentive and fidelity plan, which the Shareholders' meeting will be asked to approve on 19 June 2024. With the new plan two important features are introduced. Firstly, an ESG objective is added among the performance objectives, and this is meant to furtherly strengthen the ESG strategy that the group is pursuing in the last years, oriented towards the protection of the environment and the maintenance of the excellence levels reached in the valorisation of human capital and diversity, that are of great importance to MFE. The TSR objective has also been made more challenging, determining the target at a higher level than the median in the panel of European media companies against which to measure the relative positioning of the Company's TSR. Secondly, the type of shares involved in the plan is redefined, providing for the attribution of only "MFE A" shares, instead of the two types of shares currently allocated.

Furthermore, this Policy contains an update of the information and an adaptation of the targets and of the ESG objectives in the short-term incentive plan.

Scope and Principles of the Remuneration Policy

The Remuneration Policy is inspired by the following objectives and guiding principles:

- Alignment with the business strategy
- Attraction and retention of valuable staff
- Link with performance and value creation
- Consistency and fairness

Alignment with the business strategy	Values, skills and conduct aligned with the business strategy are reinforced by having an overall compensation structure that includes a balanced package of fixed and variable, material and non-material components. This allows for an appraisal of the responsibilities and criticalities of the position held, the quality of the professional contribution and the results achieved in the short and medium/long term.
Attraction and retention of valuable staff	MFE believes the Remuneration Policy is a key vehicle for attracting, retaining and motivating key staff and for contributing to the creation of sustainable value over the medium and long term for all stakeholders. To this end, the Remuneration Policy is structured taking into account scenario analyses and to

	guarantee competitiveness with the outside market and to ensure internal equity, also consistently with the defined performance.
Link with performance and value creation	The use of a variable component of the remuneration, split into a short-term and a medium-long-term (share-based) component, makes the Remuneration Policy consistent with the creation of sustainable value for its shareholders and the growth of the market price of MFE's shares.
Consistency and fairness	Compensation tools are coherently structured to ensure fairness in terms of the level of responsibility assigned and contribution to the Group's performance and are monitored taking into account pay ratios within the Company.

The Remuneration Policy is defined consistently and in order to support the achievement of the Company's main strategic objectives:

- consolidating the leadership in the nationwide core business by providing a distinctive broadcasting service model, maximising commercial value, streamlining production processes and overseeing regulatory and infrastructural development;
- evaluating development opportunities for supranational media activities (mainly in OTT, AD Tech and Content).
- the pursuit of sustainability-oriented growth, focusing on protecting the planet, valuing people through the recognition of diversity and the protection of their well-being, and on the dissemination of an ESG-oriented culture and values through its communication channels.

In order to do this, the Policy provides a steady balance between short and long-term, fixed and variable components, and benefits.

In a market as mature as free-to-air television, variable components aim to reward high profitability – which is essential for creating value for shareholders – and cash generation, and ultimately to support the company's growth strategy. Alongside these indicators, the specific performance objectives assigned to Key Management Personnel under the short-term incentive system based on each of their organisational responsibilities enable the Group to perform its key objectives, with particular reference to the leadership in the advertising market and to the cost reduction. Starting from 2022, in addition to the traditional financial indicators, non-financial indicators have been added, aimed at guiding and supporting the Group's sustainability strategy.

Using exclusively share-based medium/long–term incentive instruments helps to direct performance towards creating sustainable value over time. This aim is further supported by extending the vesting and lockup period to a total of 5 years, starting from 2021.

Consistency between Remuneration Policy and People Strategy

The Group's Remuneration Policy has been drawn up to be consistent with human resource management and enhancement policies, which recognise the essential role played by the professional contribution of the Group's people in ensuring business success and development. The Group therefore manages its human resources by respecting the personality and professionalism of each employee, enhancing and developing their professional skills and abilities, and protecting their mental and physical well-being (also in terms of occupational health and safety), all the while promoting loyalty, trust and rejecting all forms of discrimination and exploitation.

Each employee's pay is determined by an assessment carried out by the Human Resources Department and by the Business Managers which, to ensure that internal pay is competitive with the market benchmarks, considers the area of responsibility, the task performed and principles of fairness within the Group, as well as targeting the attraction and retention of key staff.

In assessing the fairness and competitiveness of remuneration packages, the Group uses the research tools and pay benchmarks provided by leading consultancy firms.

For variable components in particular, the Policy sets profitability targets to serve as a homogenous, coherent and consistent criterion for all compensation instruments used. For instance, it determines the entry point and/or penalty in each of the top manager and executive incentive systems, and is the parameter used as the basis for calculating the company bonus paid to the rest of the workforce.

In particular, from a Pay for Performance perspective, the penalties for only partially achieving the target productivity are proportional according to each employee's level of responsibility and thus the differing impacts they can have on the Group's profits (CEO 100%, Executive Directors and first and second-grade Executives 50%, Other Directors 25%, Middle Manager and Work Officer 0%).

The Group Remuneration Policy inspires the development of principles and criteria underlying the policies applied to all the companies belonging to the Group so that there is consistency among all the remuneration systems of the Group.

In a total reward perspective all employees, regardless of their category, also benefit from numerous welfare and wellbeing services, including health care and supplementary pension plans.

Social Acceptance

The perspective and input of internal and external stakeholders have been taken into account in defining and implementing the Remuneration Policy. In the last years the Group has given increasing importance to the recommendations on remuneration expressed by proxy advisors and investors, pursuing a path of continuous improvement, which led to obtaining an excellent level of AGM's approval on the 2023 Remuneration Policy, with 99.10% of favourable votes.

Composition of the Remuneration of the Chief Executive Officer and the other Executive Directors

Reference Peer Group

As part of the assessment of the competitiveness of the CEO's remuneration, with the support of a leading consultancy firm specialized in Executive Compensation, a reference Peer Group has been defined consisting of 13 European companies belonging to the Tel.Co., Media & Entertainment sector listed on regulated markets, on which a remuneration benchmark was analysed.

The companies were identified on the basis of dimensional criteria (capitalization, turnover, number of employees).

Peer Group	WPP, Telecom Italia, Publicis Groupe, Vivendi, RTL Group, Lagardère, Koninklijke KPN, ITV, Prosiebensat 1 Media, Informa, Television Francaise 1, Metropole Television, RCS Mediagroup

Structure of Remuneration

The structure of the remuneration of the Chief Executive Officer and the other Executive Directors comprises the following components:

Fixed component	○ it is defined with reference to the responsibilities assigned and distinctive competencies possessed ○ it is monitored periodically against market benchmarks to guarantee an adequate level of retention
Variable short-term component	○ it ensures a direct link between remuneration and performance results; its purpose is to reward the achievement of corporate and personal objectives.
Variable medium/long-term component	○ it ensures the growth of the Company's value and the achievement of results sustainable over time, the loyalty of the Board of Directors and the alignment of the objectives of management with those of the shareholders.
Benefits	○ include non-monetary forms of remuneration, complementing the other remuneration elements; they provide for competitive advantage and address the various needs of the executive (welfare and improved quality of life).

Fixed component

The fixed remuneration of the Chief Executive Officer and the other Executive Directors is defined in relation to the responsibilities assigned, the complexity of the position, the experience and distinctive competence of each person. It is periodically monitored against market benchmarks, in particular through the use of remuneration databases prepared by a leading consulting firm specialised in remuneration, in order to ensure adequate retention. The weight of the fixed component, a distinctive characteristic of the Company, is instrumental in preventing actions based on short-term opportunities.

The fixed component is subdivided into:

- Gross annual compensation (GAC), related to the significance of the position, which the Chief Executive Director and the other Executive Directors receive if they are employees of the company.
- Compensation the CEO receives for the position of "Director charged with specific tasks" and the other Executive Directors as members of the Management Board. This compensation is set to 40,000 euros gross per year for the position of Director to which a compensation of 1,000,000 euros gross per year is added for the CEO for the specific position. The Board of Directors will determine the compensation for the Directors charged with specific tasks, in line with this Policy. For the specific positions assigned with reference to the subsidiaries, the competent Boards may determine, in each specific case, the relevant remuneration.

Variable short-term component

The Annual Incentive System adopted by MFE, called SIA, is applicable to the Chief Executive Officer, the other Executive Directors and all Group Executives. This system has the main objective of strengthening and guaranteeing the alignment between how individuals act and short-term company objectives.

The SIA plan is governed by a specific regulation, distributed to each participant, which sets out all the detailed principles of the underlying the system, including the accessory clauses provided by the best practices on incentive matters.

In particular, the plan provides that for each recipient, objectives will be set that relate to their own area of responsibility. The extent to which these individual objectives are achieved will determine the actual bonus paid out, taking into account the target value set for each manager. Deductions may be made to this target value if certain productivity thresholds are not met, as illustrated below.

Mechanism of correlation

Starting from 2019, a single correlation mechanism has been applied to both the Chief Executive Officer and the other Executive Directors, between the Group's economic results and the amount of payable incentives; this can determine a reduction in their target value, based on the performance of two parameters of the financial statements: Group Net Profit and EBIT Italy.[56] In addition to being consistent with the principle of internal equity, this single mechanism makes it possible to align the managerial actions towards achieving challenging and shared performance targets among all system recipients.

In particular:

- If Group Net Profit is negative, the short-term variable component will be reduced to zero for the Chief Executive Officer and will be reduced by 50% for other Executive Directors.
- If Group Net Profit is positive, the target value may be reduced based on the extent to which EBIT Italy deviates from the corporate budget value, subject to the following scale:

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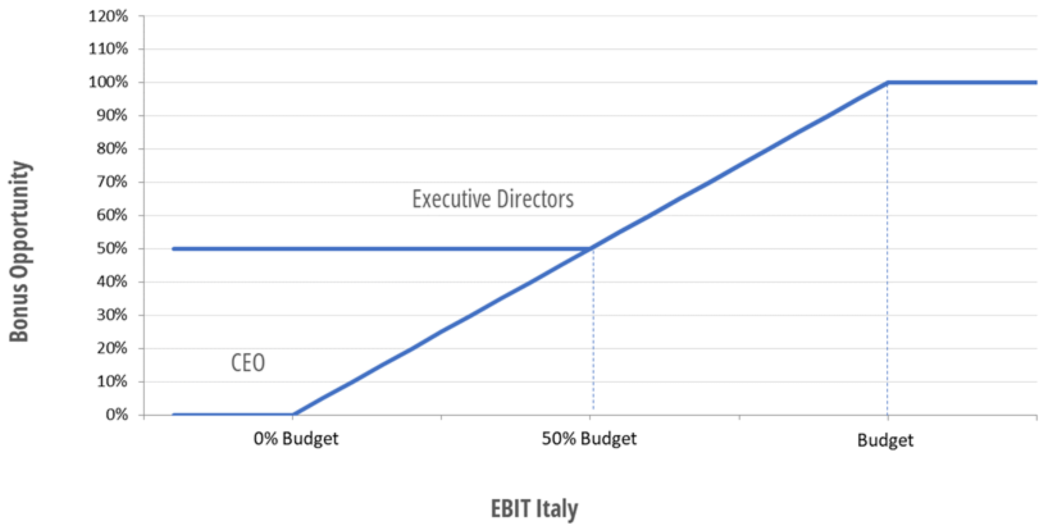
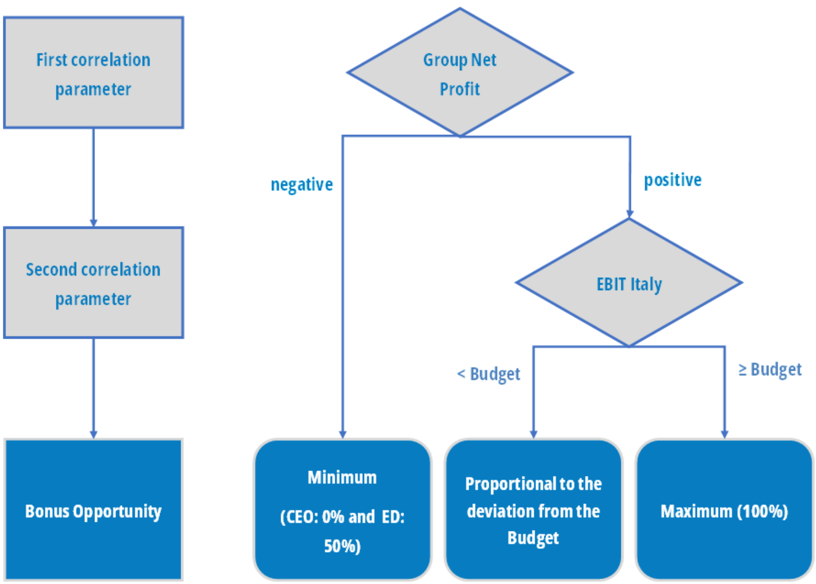
[56] For this calculation, pro-forma EBIT was used net of the components of the variable incentive systems based on the profitability parameter



This correlation mechanism with the Company's financial results, as described above and illustrated in the following diagram, therefore allows the actual bonus opportunity to be reduced if the Company's financial results are unsatisfactory; this can be reduced to zero for the Chief Executive Officer and by 50% for the other Executive Directors.

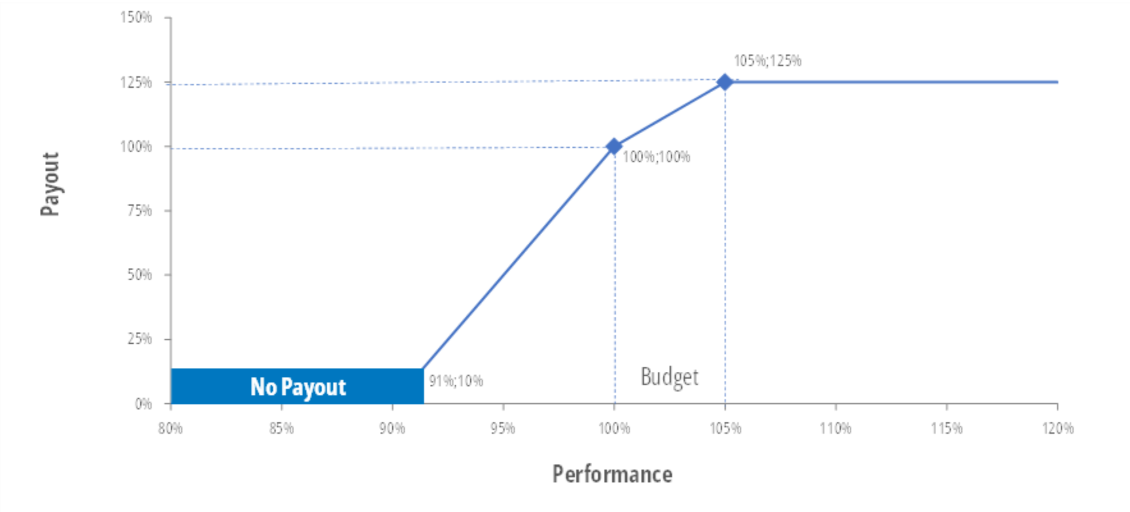


Set objectives

Depending on the responsibilities associated with the role, quantitative objectives of a mainly financial nature, set out in a specific sheet and each with a defined relative weight, are assigned to each recipient of the system, as explained in the following paragraphs.

For the purpose of paying the incentive, once any penalty has been applied through the target correlation mechanism to the Company's results, the relative performance in percentage terms is measured independently for each objective. A correlation scale is applied to it, which determines the relative payout level. This scale rewards performance at least equal to 91%, which corresponds to the payment of 10% of the value of the bonus associated with each objective. On the other hand, the maximum payment is earned when a performance of more than or equal to 105% is achieved; this level corresponds to the payment of 125% of the bonus value associated with each objective.

The following graph illustrates the correlation between performance and payout: this scale applies to all objectives set for incentive system recipients:



The quantitative objectives are set for the Chief Executive Officer and for the other Executive Directors depending on the responsibilities related to the role.

Starting from 2022, alongside the traditional indicators of an economic / financial nature, non-financial indicators have been added, linked to the sustainability strategy pursued by the Company and related to the Environmental Social and Governance areas. These indicators make up the "ESG" objective which has a total weight of 10% on the objective sheet and is composed of the following scorecard:

Area	Weight	Objective	Target	Performance Payout Scale
Social	3%	Hours of training on ESG issues	1h average per person	Standard – see the graph above
Governance	4%	Number of Managers with SIA ESG KPIs	50 Managers	≥ 70 ⟶ 125%; ≥ 65 ⟶ 120%; ≥ 61 ⟶ 115%; ≥ 58 ⟶ 110%; ≥ 55 ⟶ 105%; ≥ 50⟶ 100%; ≥ 45 ⟶ 80%; ≥40 ⟶ 50%; ≤ 40 ⟶ 0
Social	3%	Gender Pay Gap	97%	100% ⟶ 125%; 99% ⟶ 120%;

Area	Weight	Objective	Target	Performance Payout Scale
				98% ⟶ 110%; 97% ⟶ 100%; 96% ⟶ 80%; 95% ⟶ 60%; 94% ⟶ 40%; ≤93 ⟶ 0%;

The objectives proposed for the Chief Executive Officer and the other Executive Directors who are a beneficiary of the SIA plan are outlined below:

Correlation parameters on the Company's performance for re-determining targets if necessary	GROUP NET PROFIT EBIT ITALY	
Position	**Target**	**Weight**
CEO	Group EBIT	45%
	Group Net Financial Position	45%
	Objective ESG	10%
Executive Directors		
Position	**Target**	**Weight**
Chief Financial Officer and CEO of RTI	Group Net Financial Position	30%
	EBIT of Radio Business Unit	30%
	EBIT of Digital Business Unit	30%
	Objective ESG	10%
Director of Institutional and Legal Affairs and Strategic Analysis	Costs of the Institutional and Legal Affairs and Strategic Analysis Department	90%
	Objective ESG	10%
Director of Human Resources, Operations, Technologies and Provisioning	Operating costs of the Operations Area	25%
	Cost of labour Italy	25%
	Costs & investments of the Technology Dept.	20%
	Procurement savings	20%
	Objective ESG	10%
CEO of Publitalia'80, Chairman of Digitalia'08, CEO and Chairman of MFE Advertising and Chairman of Publiespaña	Consolidated advertising revenues	75%
	Concessionaire costs	15%
	Objective ESG	10%

To each indicator, the performance-payout correlation scale is applied, which may cancel, reduce or increase by up to 125% the payout associated with the achievement of each objective.

The target performance objective of each economic - financial indicator is represented by the annual budget value, which is associated with a 100% payout. These values are not disclosed as they are price-sensitive information.

Plan clauses

The Plan regulation provides for a **malus** clause that gives the Company the right not to award the bonus, in whole or in part, in the event of deterioration of the Group's financial position and/or if the performance objectives were determined based on data that have subsequently proved to be manifestly incorrect. In the latter case, a **claw-back** clause is also provided, which also applies if it is found that performance targets have been achieved on the basis of fraudulently falsified data.

Furthermore, if extraordinary circumstances occur that have a material impact on the importance and cohesion of the performance objectives, the Company's Board of Directors will be able to evaluate whether to make relevant adjustments to the final assessment of the correlation parameters and/or the performance objectives set, with the aim of keeping the substantive and economic content of the Plan unchanged.

Variable, long-term component

On 23 June 2021, the Shareholders' Meeting approved a medium-long-term incentive plan whose main objectives are as follows:

- to ensure the growth of the value of the Company by aligning the interest of management with those of the shareholders;
- to motivate management to achieve results that can be sustained over time;
- to ensure the loyalty of key personnel so that they remain within the Group;
- to ensure an adequate level of competitiveness of the compensation in the employment market
- to support the Environmental, Social and Governance Group Strategy

With the aim of continuing the process of improving the remuneration policies and systems undertaken in recent years, the plan is designed to keep a constant alignment with the international best practices and with the recommendations introduced by the Dutch Corporate Governance Code.

On 17 April 2024 the Board of Directors, upon the proposal of the Nomination and Remuneration Committee, considering the effectiveness of the plan, decided to submit to the Shareholders' Meeting of 19 June 2024 a new plan with analogue features and objectives.

The Plan is intended for the Chief Executive Officer and other Executive Directors and first and second line managers who hold strategically important positions, with a major impact on value creation for the Group and shareholders. The Recipients, of which there have been 30 on average in recent years, are selected by the Board of Directors on the proposal of the Nomination and Remuneration Committee. Starting from June 2024, consequently to the enlargement of the group, the inclusion of Mediaset España Directors with strategic impact on the long term value creation can be considered.

The plan consists in granting rights to receive free common A shares of MFE (so-called performance shares) at the end of a three-year vesting period, on condition of achieving pre-determined performance levels. More specifically, the plan provides for the attribution of base rights and of matching rights.

Base rights are determined depending on the choice of each recipient to assign one quarter or one half of the target bonus of his/her short-term incentive plan to the medium-long-term incentive system.

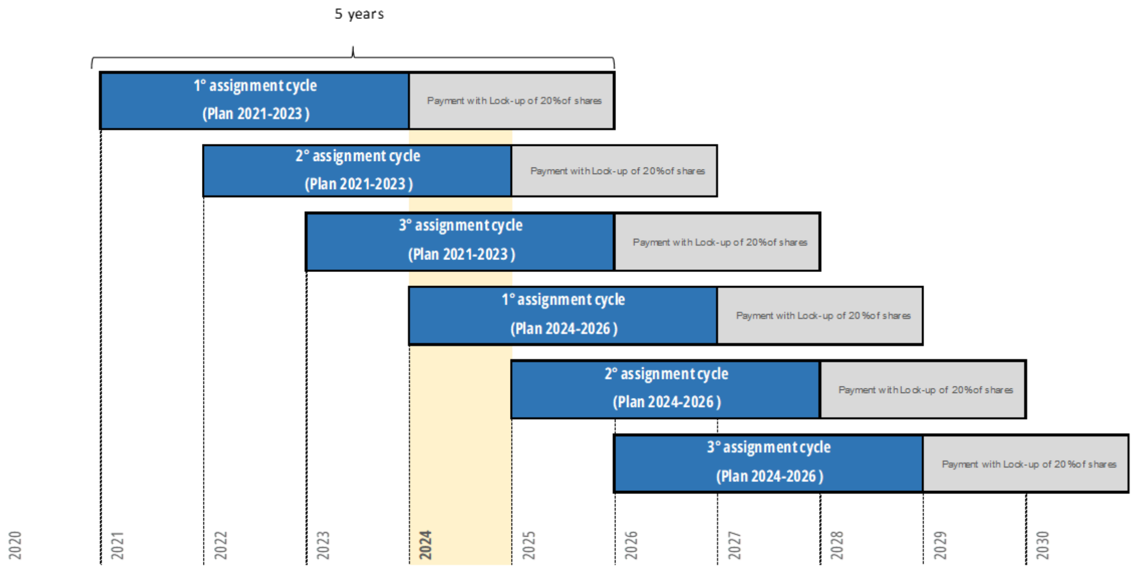
The beneficiary receives one additional matching right for each share received for the deferral of the short-term bonus.

The actual vesting of performance shares and shares granted as a matching right is subject to:

- continuity of the employment relationship during the three-year vesting period
- degree of achievement of the performance objectives of the plan.

The plan operates over three three-year granting cycles with assignment of the rights in the years 2024, 2025, and 2026 and provides, at the end of the 36-month vesting period, for a 24-month lock-up period for 20% of shares. This ensures that the interests of management are better aligned with the long-term interests of shareholders, as the total period for the vesting and holding of shares is five years.

The graph below shows the operating mechanism of the Plan. It should be noted that the Group did not initiate the third cycle of the 2018–2020 medium/long–term incentive plan following the failure to complete the cross-border merger of Mediaset S.p.A and Mediaset España into MFE and due to the international public health emergency. Upon the proposal of the Nomination and Remuneration Committee and in consideration of the negative impact of these events of the Group's economic and financial results, the Board of Directors of Mediaset S.p.A. approved the suspension of the 2020-2022 cycle.



In 2024, the rights relating to the first three-year cycle of the LTI new plan will be allocated. In addition, the shares related to the first cycle of the 2021-2023 plan will be attributed.

Objectives set for the Chief Executive Officer and for the other Executive Directors

For all recipients, the plan sets out the following performance objectives:

	Indicator	Weight
Performance objectives	Adjusted Three-year Group net profit[57]	40%
	Three-year Group Free Cash Flow	40%
	Relative TSR as compared to a reference panel of 4 other media companies	10%
	ESG objective: Managerial Gender Balance & CO_2 Emissions	10% (5% Gender Balance, 5 % CO_2 Emissions)

For economic and financial indicators, the performance achieved will be determined according to the three-year target defined by the multi-year plans approved by the Board of Directors.

As for the market-based indicator, the performance achieved will relate to the positioning of the Company's TSR compared to that of companies included in the sample of 4 other European media competitors, consisting of TF1, Prosieben, Metropole Television and iTV. In particular, the performance under this indicator will be calculated based on the positioning of MFE's TSR, as reported in the following table:

MFE's Positioning	Performance
Best TSR	125%
2nd TSR	100%
3rd TSR	85%
4th TSR	60%
5th	0%

The TSR is calculated with the weighted averages of the TSR of MFE A and MFE B shares, according to their weight on the composition of the share capital.

[57] "Adjusted Group Net Result" means the net profit of the Group, as potentially adjusted, on the basis of the application of the "dividend method" (instead of the "equity method") in reporting the accounting value of investee companies over which MFE exercises significant influence. Such adjustment can be made by the Board of Directors for the purposes of this Plan only and to substantially maintain the economic content and the incentivisation objectives of the Plan unchanged.

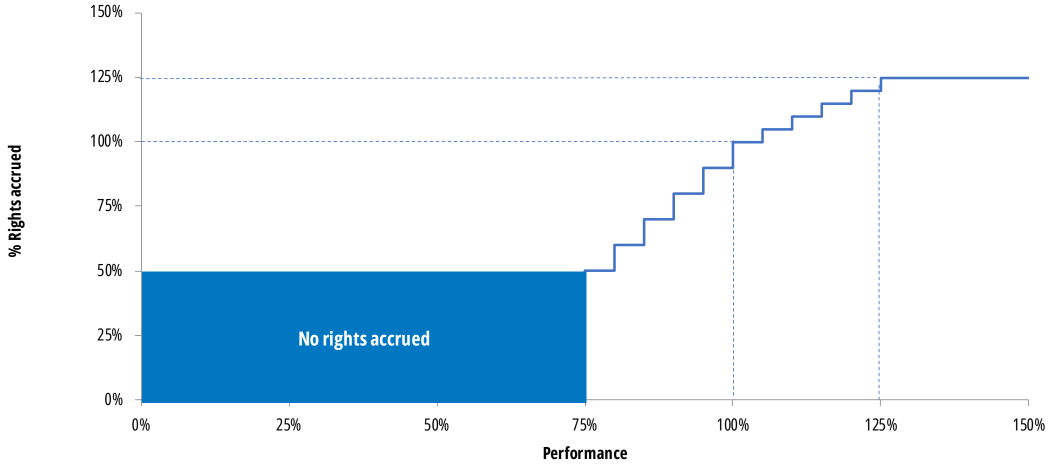
Regarding the Gender Balance objective, performances will be calculated as shown in the following table

Performance	Performance
Gender Balance Target + 1%	125%
Gender Balance Target + 0.5%	115%
Gender Balance Target	100%
Gender Balance Target – 0.5%	85%
Gender Balance Target - 1%	60%
Gender Balance Target – 1.5%	0%

For the first three years cycle (2024-2026), the gender balance target is established as an incidence of the female gender on the management population equal to 32%.

With reference to CO_2 Emissions, the performance achieved will be determined in reference to the three-year target defined by the Board of Directors, which for the first three years of the plan is established as a 25% reduction in emissions.

The medium/long-term incentive system rewards a performance range (calculated as the average weighted performance of the three objectives) between 75% and 125%, corresponding respectively to the vesting of 50% and 125% of the assigned rights. In the event of intermediate results, a share of the rights will vest.



Plan clauses

The LTI regulation includes a **malus** clause that allows the Company not to award or pay out, in whole or in part, any shares that have not vested, if the financial or balance sheet situation of the Group deteriorates significantly. In addition, there are **claw-back** clauses in the event that the rights mature on the basis of data that turn out to be incorrect or forged.

Furthermore, if extraordinary circumstances occur that have a material impact on the importance and cohesion of the performance objectives, the Company's Board of Directors will be able to evaluate whether to make relevant adjustments to the final assessment of the correlation parameters and/or the performance objectives set, with the aim of keeping the substantive and economic content of the Plan unchanged.

Benefits

To complement the compensation package, MFE offers **non-monetary benefits** mostly in the area of social security and assistance and to supplement the provisions of national employment agreements: supplementary health care plan, insurance for accidents, life and permanent disability caused by illness, company vehicle. In keeping with best practices, a third-party civil liability insurance policy (D&O) is also offered to Executive Directors covering their duties in their capacity both as managers and directors.

Pension Schemes

The Executive Directors receive the pension contribution in accordance with the provisions of the legislation in force in Italy, in proportion to their annual remuneration. Contributions are paid to the National Institute of Social Security (INPS), that will pay a pension when the pension requirements are met. The Company integrates the legal treatment through the payment of € 7,200 per year to a private supplementary pension fund.

Other payments

The Executive Directors, with the exception of the Chief Executive Officer, are the beneficiaries of a non-compete agreement which provides for a consideration paid annually and based on the duration and scope of the obligation derived from the agreement. By this agreement, beneficiaries undertake not to perform their activity in competition with those carried out within the sphere of their responsibilities in the Group, in Italy and in foreign countries where the Group has operations, under penalty of returning what the director received under the non-compete agreement.

These agreements, that are entered into during the working relationship, have been in force for several years. The Company has established that starting from 2017 any new non-compete agreements signed will provide for the payment to be made at the end of the employment relationship, at which time the non-competition constraint will become effective.

No payment is envisaged of discretional bonuses rewarding performance that refer to previously planned objectives, which will be managed through short and long-term incentive plans.

In the event an Executive Director has to be rewarded for the exceptional results obtained as part of extraordinary transactions (concerning for example revision of the Group's scope), such decision will be the subject of a specific resolution by the Board of Directors, without the participation of the Executive Directors themselves, after having received the opinion of the Nomination and Remuneration Committee. However, payments cannot exceed the annual target value under the short-term incentive system.

Pay mix

The following graphs illustrate the overall pay mix, target and maximum, of the Chief Executive Officer and of the other Executive Directors, determined by the remuneration components described in the previous paragraphs.

The pay mix composition is shown in the different scenarios that may occur:

- based on the individual choice of the short-term incentive share (SIA) to be allocated to the medium/long-term incentive system (LTI);
- based on the values that the short and medium-long-term incentive can take, based on the performance obtained.

For the purposes of the representation, full satisfaction of the conditions for access to the incentive system are assumed, excluding therefore any ex-ante penalties on the target.

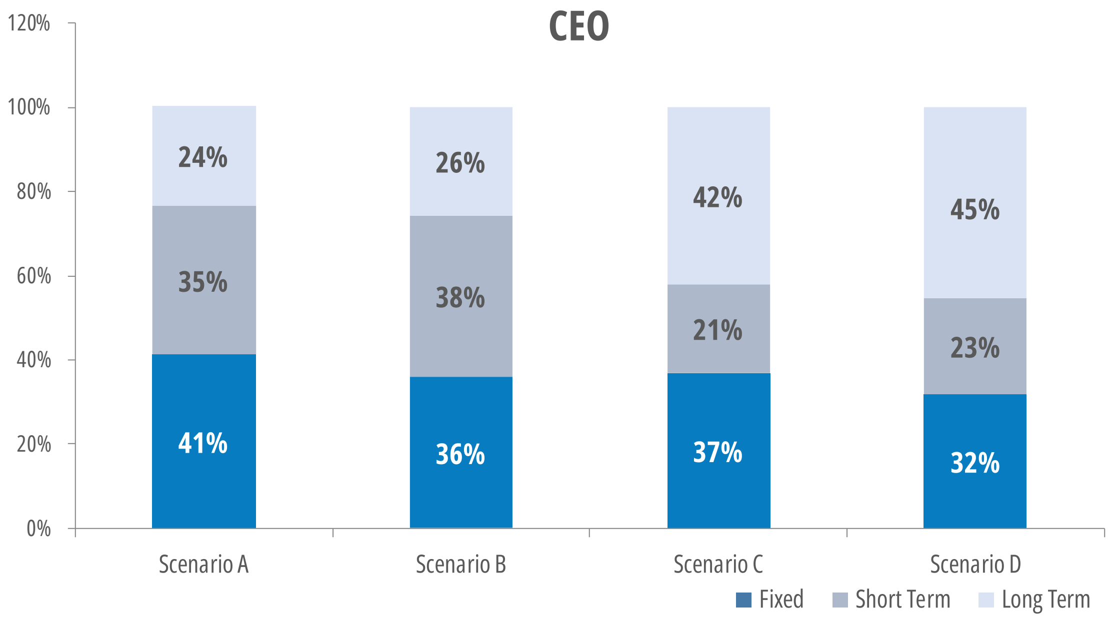
More specifically, the pay mix results of the following four cases are presented:

		Performance of Variable Incentive Systems	
		Target	**Maximum**
Share of SIA allocated to LTI	**25%**	Scenario A	Scenario B
	50%	Scenario C	Scenario D

If the company-wide or individual objectives are not met or are insufficiently met, both the short- and medium/long-term variable components can be completely cancelled, which means that remuneration will comprise the fixed components only.

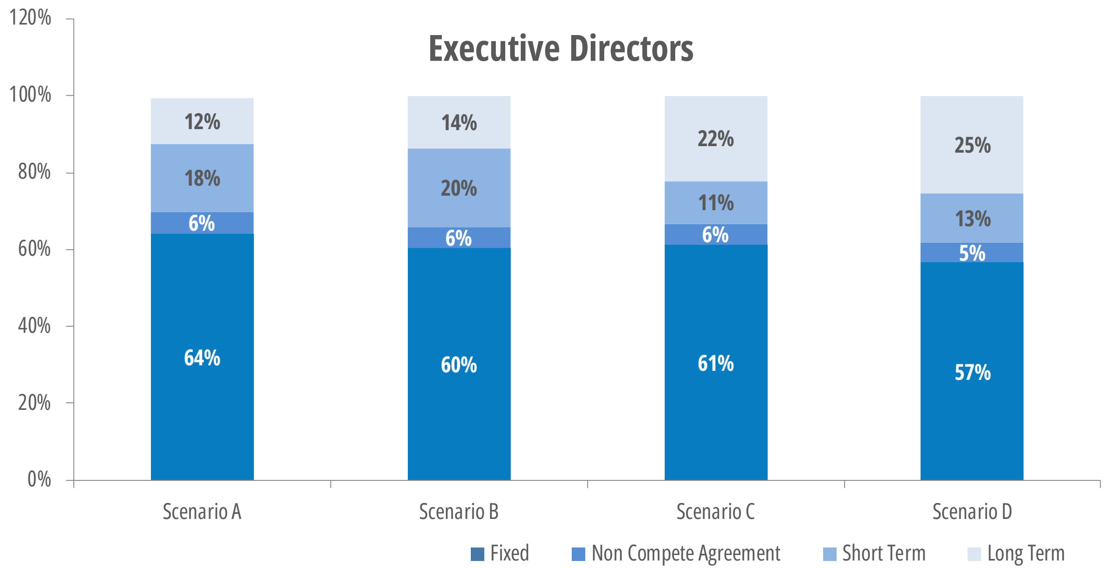
Pay-mix of the Chief Executive Officer

The following graphs show the overall pay-mix of the Chief Executive Officer in the four scenarios examined.



Pay-mix of other Executive Directors

As in the previous paragraph on delegated bodies, the following graphs show the overall pay-mix of the Executive Directors in the four scenarios examined.



Pay in the event of the termination of a position or work relationship

As managers of the Company, the Executive Directors have a permanent contract related to their employment relationship in MFE's subsidiaries. The Company policy is to not set in advance the financial aspects of any early termination of the work relationship or mandate. However, consistently with market practice, it is provided that the compensation paid in case of termination/resolution of the work relationship does not exceed 12 months of overall compensation, in addition to the amounts provided for by the applicable legislation on termination of employment in case the respective member is an employee of the Company[58]. In this respect, the methods for determining the amount to be disbursed under the Medium/Long–Term Incentive Plan are described in the Plan Regulations. The Regulations determine that a terminated employee can be classed as a bad leaver or a good leaver depending on the reason that their employment was terminated, which then affects their payout levels.

Remuneration of Chairman and Non-Executive directors

Currently, the Non-Executive Directors receive a fixed annual remuneration for the office of Non-Executive Directors and an additional remuneration for the participation in internal board committees.

There is no variable compensation component.

The fixed annual remuneration is equal to 40,000 euros, (raised to 60,000 for the Chairman) to which a fee of 40,000 euros (raised to 50,000 for the Chairmen) is added for the members of each internal board committee. The members of the Board of Directors are entitled, pursuant to the Articles of Association, to the reimbursement of expenses made for office reasons. With reference to the Chairman, as part of the overall revision agreement of the form of the employment relationship reached in July 2018[59], the current remuneration package was defined with the provision of an additional fixed component paid by Mediaset S.p.A. and some benefits[60].

Pension contributions are recognized to Non-Executive Directors in accordance with the legislation in force in Italy. In the event of early termination of the mandate, no severance treatment is provided. A third-party civil liability insurance policy (D&O) is also offered to Non-Executive Directors covering their duties.

[58] This amount includes the indemnity related to the notice period which is from 8 to 12 months on the basis of the years of seniority in the Company, in addition to a supplementary indemnity up to 24 months.

[59] As announced to the market on 27 July 2018, as part of the agreement to terminate the executive employment contract of Fedele Confalonieri, an "end-of-office severance package" was agreed in advance and by exception, payable when the Chairman should cease to hold or not be renewed in his current position. This amount, equal to € 8.5 million gross, was also set in recognition of the extraordinary contribution that the Chairman has made to the Group since its foundation.

[60] The amount relating to this additional component is equal to € 1.8 million. Further information is available in the press release dated 27 July 2018, available on the MFE Corporate website.

REMUNERATION REPORT

Report on the Remuneration paid

The Remuneration Report provides a description of the implementation of the policy for 2023 for the Chairman, the Chief Executive Officer and the other Executive and Non-Executive Directors, considering transparency and compliance with the laws and regulations currently in force.

No deviations or derogation from the decision-making process for the implementation of the Remuneration Policy approved by the Shareholders' Meeting on 7 June 2023 has taken place in 2023. Therefore, the total remuneration paid has been consistent with the approved Remuneration Policy, which has contributed to the long-term performance of the Company. In particular, the use of a variable component of the remuneration, split into a short-term (which embodies also environmental, social and governance sustainability goals) and a medium-long-term (share-based) component, makes the Remuneration Policy consistent with the creation of sustainable value for its shareholders and the growth of the market price of MFE’s shares. For the drafting of this Remuneration Report, in order to take into account the outcome of the 2023 meeting vote, characterized by 69.45% of votes in favour, the methods of representation of the information were re-analysed with the aim of always guaranteeing maximum transparency and communication. At present, the level of disclosure is the maximum possible which allows to balance a high level of information and transparency with the protection of price sensitive company information. The following paragraphs show the performance levels achieved with respect to the individual objectives of the short and medium-long-term variable components, identified in coherence with the group strategy.

First and Last Name	Office	Fixed Compensation in MFE	Compensation form participation in Committees in MFE	Fixed Compensation from subsidiaries and associates	Compensation from participation in Committees froma subsidiaries and	Variable Compensation	Variable non equity Compensation (Bonus)	Pension***	Non-monetary benefits	Total	Fair Value of equity compensation
F. Confalonieri	CH.	60,000		1,901,250	28,000			18,163	15,397	2,022,810	
P.S. Berlusconi	CEO	1,040,000		384,954 *		620,000		113,704	19,950	2,178,608	319,321
S. Bariatti	NON EX. DIR.	40,000	50,000					3,600		93,600	
M. Berlusconi	NON EX. DIR.	40,000						6,400		46,400	
M. Brogi	NON EX. DIR.	40,000	70,000					4,464		114,464	
R. Cappiello	NON EX. DIR.	40,000	20,000					2,552		62,552	
Villeneuve	NON EX. DIR.	40,000	30,000							70,000	
G. Gallazzi	NON EX. DIR.	40,000	20,000					14,016		74,016	
M. A. Giordani	EX. DIR.	40,000		1,152,571 *	24,000	248,000		448,247	9,465	1,922,283	127,729
G. Nieri	EX. DIR.	40,000		1,102,387 *	16,000	179,251		412,891	9,005	1,759,534	95,796
D. Pellegrino**	NON EX. DIR.	40,000								40,000	
A. Piccinino	NON EX. DIR.	40,000	50,000					14,400		104,400	
N. Querci	EX. DIR.	40,000		1,195,468 *	20,000	276,660		478,738	13,231	2,024,098	51,889
S. G. Sala	EX. DIR.	40,000		1,902,388 *		460,126		687,857	19,935	3,110,306	287,389
C. Secchi	NON EX. DIR.	40,000	40,000					12,800		92,800	

Ch.=Chairman; Non Ex. Dir.=Non Executive Director; Ex. Dir.=Executive Director

Pay mix level are represented in the specific paragraph below

*It includes the Fixed Remuneration as an employee, the Non-Competition Agreement and the emoluments received in subsidiaries of MFE

** Payment order in favor of Fininvest Spa

*** For employment relationships, it includes the portion relating to "TFR", equal to 6.90% of the overall remuneration, provided for by Italian law

Fixed component

In the financial year 2023, a fixed remuneration consistent with the approved Remuneration Policy was paid to the Chairman, the Executive Directors and the Non-Executive Directors.

Short-term variable component

The 2023 financial year was characterized by the achievement of positive results for the Group, which, also thanks to its increasing international dimension, was able to confirm the positive results of last year despite the adverse market elements, such as the complex geopolitical situation, the BCE policy of increasing the interest rates and the inflation effects.

The application of the short-term incentive system for the Chief Executive Officer and for the Executive Directors fully reflects the good performances achieved: as part of the annual incentive system, both parameters relating to the Group's results were exceeded, resulting in the application of full targets. Likewise, good performances were achieved on all objectives assigned within the system. The ESG objectives introduced in the management incentive system have been fully achieved, testifying to the growing attention and sensitivity that the Group attributes to these issues.

The following table summarises the performance and payout achieved during the year for each individual target assigned to the CEO and to each Executive Director;

Position	Target		Weight	Performance	Payout
CEO	Group EBIT		45%	167%	125%
	Group Net Financial Position		45%	105%	125%
	Scorecard ESG:	C02 Emissions	2.5%	106%	125%
		Female managers	2.5%	100%	100%
		ESG Training Hours	2.5%	192%	125%
		Employees with ESG-related SIA targets	2.5%	102%	110%
Chief Financial Officer and CEO of RTI	Group Net Financial Position		30%	105%	125%
	EBIT of Radio Business Unit		30%	291%	125%
	EBIT of Digital Business Unit		30%	121%	125%
	Scorecard ESG:	C02 Emissions	2.5%	106%	125%
		Female managers	2.5%	100%	100%
		ESG Training Hours	2.5%	192%	125%
		Employees with ESG-related SIA targets	2.5%	102%	110%
Director of Institutional and Legal Affairs and Strategic Analysis	Costs of the Institutional and Legal Affairs and Strategic Analysis Department		90%	104%	120%
	Scorecard ESG:	C02 Emissions	2.5%	106%	125%
		Female managers	2.5%	100%	100%
		ESG Training Hours	2.5%	192%	125%
		Employees with ESG-related SIA targets	2.5%	102%	110%
Director of Human Resources, Operations, Technologies and Provisioning	Operating costs of the Operations Area		25%	103%	115%
	Cost of labour Italy		25%	101%	105%
	Costs & investments of the Technology Dept.		20%	102%	110%
	Procurement savings		20%	114%	125%
	Scorecard ESG:	C02 Emissions	2.5%	106%	125%
		Female managers	2.5%	100%	100%
		ESG Training Hours	2.5%	192%	125%
		Employees with ESG-related SIA targets	2.5%	102%	110%
CEO of Publitalia'80, Chairman of Digitalia'08, CEO and Chairman of MFE Advertising and Chairman of Publiespaña	Consolidated advertising revenues indexed to market		75%	100%	100%
	Concessionaire costs		15%	101%	105%
	Scorecard ESG:	C02 Emissions	2.5%	106%	125%
		Female managers	2.5%	100%	100%
		ESG Training Hours	2.5%	192%	125%
		Employees with ESG-related SIA targets	2.5%	102%	110%

We explain in the table below the level of achievement linked to the sustainability objectives:

	Objective	Actual
CO_2 Emissions	-82 tCo_2 (2,945)	-166 tCo_2 (2,779)
Female managers	29%	29%
ESG Training Hours	3300	6352
Employees with ESG-related SIA targets	35	40

Medium long-term variable component

During 2023, on 01 August, in implementation of the third cycle of the 2021-2023 Medium / Long Term Plan, whose conditions are described in the 2023 Remuneration Policy, the Company's Board of Directors assigned 543,690 A rights and 389,247 B rights to the Chief Executive Officer and the Executive Directors, in addition to 617,316 A rights and 414,851 B rights assigned to them in 2022 and 171,045 rights assigned in 2021. The rights assigned will vest at the end of the vesting period, only after verifying the persistence of the working relationship and depending on the achievement of the performance targets set in the regulation (3-year Group Net Profit, 3-year Group Free Cash Flow, TSR).

The Company, as deliberated by the Board of Directors on 8th September 2020, did not initiate the third cycle of the 2018–2020 medium/long–term incentive plan following the failure to complete the cross-border merger of Mediaset S.p.A and Mediaset España into MFE and due to the international public health emergency. Therefore, no MFE shares were issued or purchased to be used for the incentive plan.

The following table shows the details of the rights and financial instruments assigned under the medium-long term incentive system:

		Financial instruments assigned during the preceding financial years not vested during the financial year			Financial instruments assigned during the year					Financial instruments vested during the financial year and that can be attributed		Financial instruments for the financial year
First and last name	Plan	Number and type **		Vesting Period	Number and type **	Fair value at the allottment date	Vesting Period	Allottment date	Market Price at the allottment date	Number and type	Value at maturity date	Fair Value
	21-23 3rd cycle				196,811	2.3885	01/08/2023 - 31/08/2026	01/08/2023	2.5405	-	-	156,694
	21-23 3rd cycle				140,904	3.4625	01/08/2023 - 31/08/2026	01/08/2023	3.5485	-	-	162,627
Pier Silvio Berlusconi	21-23 2nd cycle	223,463	A	14/07/2022 - 31/07/2025						-	-	154,711
	21-23 2nd cycle	150,172	B	14/07/2022 - 31/07/2025						-	-	152,024
	21-23* 1st cycle	37,800		14/09/2021 - 30/09/2024						-	-	159,579
	21-23 3rd cycle				78,724	2.3885	01/08/2023 - 31/08/2026	01/08/2023	2.5405	-	-	62,677
	21-23 3rd cycle				56,362	3.4625	01/08/2023 - 31/08/2026	01/08/2023	3.5485	-	-	65,051
Marco Giordani	21-23 2nd cycle	89,385	A	14/07/2022 - 31/07/2025						-	-	61,884
	21-23 2nd cycle	60,069	B	14/07/2022 - 31/07/2025						-	-	60,810
	21-23* 1st cycle	30,240		14/09/2021 - 30/09/2024						-	-	127,663
	21-23 3rd cycle				59,043	2.3885	01/08/2023 - 31/08/2026	01/08/2023	2.5405	-	-	47,008
	21-23 3rd cycle				42,271	3.4625	01/08/2023 - 31/08/2026	01/08/2023	3.5485	-	-	48,788
Gina Nieri	21-23 2nd cycle	67,039	A	14/07/2022 - 31/07/2025						-	-	46,413
	21-23 2nd cycle	45,052	B	14/07/2022 - 31/07/2025						-	-	45,608
	21-23* 1st cycle	22,680		14/09/2021 - 30/09/2024						-	-	95,747
	21-23 3rd cycle				31,982	2.3885	01/08/2023 - 31/08/2026	01/08/2023	2.5405	-	-	25,463
	21-23 3rd cycle				22,896	3.4625	01/08/2023 - 31/08/2026	01/08/2023	3.5485	-	-	26,426
Niccolo' Querci	21-23 2nd cycle	36,312	A	14/07/2022 - 31/07/2025						-	-	25,140
	21-23 2nd cycle	24,403	B	14/07/2022 - 31/07/2025						-	-	24,704
	21-23* 1st cycle	12,285		14/09/2021 - 30/09/2024						-	-	51,863
	21-23 3rd cycle				177,130	2.3885	01/08/2023 - 31/08/2026	01/08/2023	2.5405	-	-	141,025
	21-23 3rd cycle				126,814	3.4625	01/08/2023 - 31/08/2026	01/08/2023	3.5485	-	-	146,364
Stefano Sala	21-23 2nd cycle	201,117	A	14/07/2022 - 31/07/2025						-	-	139,240
	21-23 2nd cycle	135,155	B	14/07/2022 - 31/07/2025						-	-	136,822
	21-23* 1st cycle	68,040		14/09/2021 - 30/09/2024						-	-	287,242
	21-23 3rd cycle				470,375	2.3885	01/08/2023 - 31/08/2026	01/08/2023	2.5405	-	-	374,497
	21-23 3rd cycle				336,763	3.4625	01/08/2023 - 31/08/2026	01/08/2023	3.5485	-	-	388,681
Others	21-23 2nd cycle	507,813	A	14/07/2022 - 31/07/2025						-	-	351,576
	21-23 2nd cycle	341,255	B	14/07/2022 - 31/07/2025						-	-	345,464
	21-23* 1st cycle	193,725		14/09/2021 - 30/09/2024						-	-	817,842

* As for the rights already assigned under 2021 Incentive Plan, the Board decided that each right assigned is considered a category B right and a category A right is attributed for each of them.

** The Company, as deliberated by the Board of Directors on 8th September 2020, did not initiate the third cycle of the 2018–2020 medium/long–term incentive plan following the failure to complete the cross-border merger of Mediaset S.p.A and Mediaset España into MFE and due to the international public health emergency.

Other payments

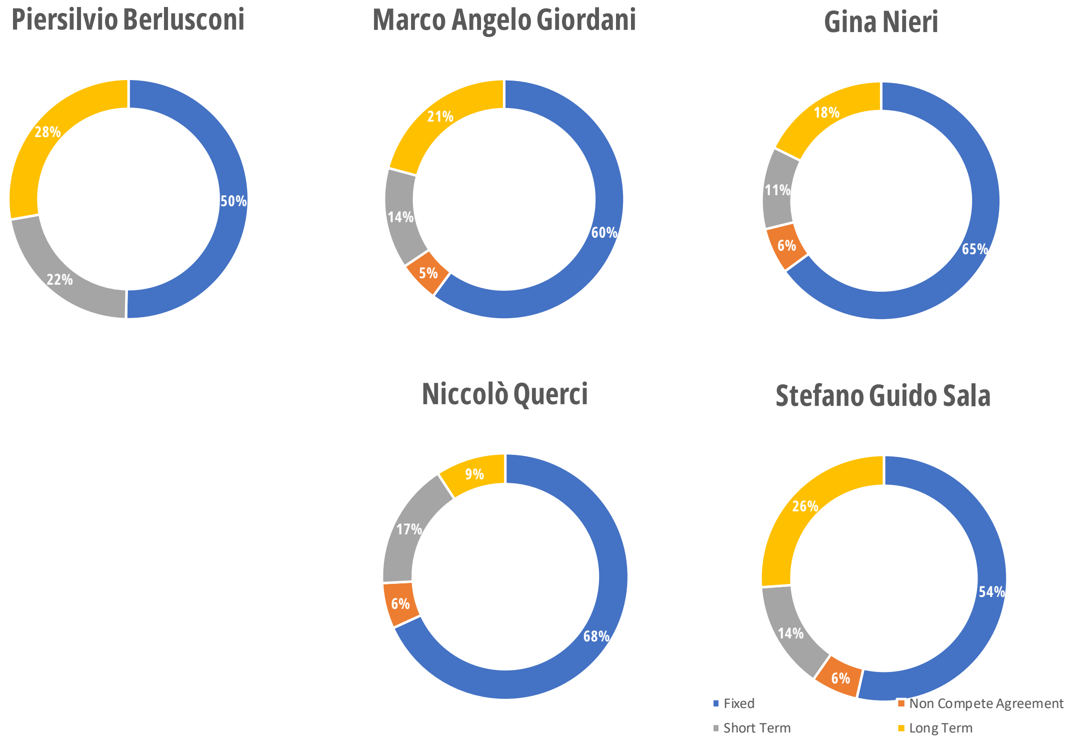
In the 2023 financial year, the amounts under the Non-Competition agreement were paid to the Executive Directors in accordance with the Remuneration Policy approved by the Shareholder's Meeting on 7 June 2023.

No one-off bonuses were paid during the year.

The company and the subsidiaries have not granted any loans, advances or guarantees to any board member of MFE. In addition to this, no claims for the repayment, wholly or in part, of a bonus have taken place.

Pay mix

The final paymix levels are as follow:



Comparison between the compensation of Directors, the results of the Group and the average compensation of employees

This paragraph draws a comparison between the compensation of the Directors of the Company, the economic and financial performance of the Group, the average compensation of the Group's employees and the pay ratio over the past 5 years.[61]

The Remuneration of the Executive Directors is confirmed substantially in line with the previous year, with a slight increase which reflects the achievement of good corporate performances characterized in particular by a growth in operating profitability both at Group level and for the Italian perimeter, where their operational responsibilities

[61] The pay ratio is calculated by comparing the remuneration components of the CEO (fixed remuneration, variable remuneration, medium-long term component paid during the year valued at fair value) compared to the average remuneration of the employees (calculated by adding the fixed remuneration, variable remuneration, medium/long term paid during the year valued at fair value).

are primarily concentrated. The remuneration received by the CEO increased due to the improvement in the Group's operating profitability, a performance rewarded within the short-term variable incentive system, with a consequent effect also on the pay ratio[62].

The short-term incentive system is therefore confirmed an effective tool for direct connection between remuneration and performance.

	% change	2023	2022	2021	2020	2019
Performance Gruppo Mediaset						
Group Revenues	0%	2810.40	2801.20	2914.30	2636.80	2925.70
EBIT Itay	66%	147.20	88.50	192.10	38.50	91.30
Group EBIT	8%	302.30	280.10	418.00	269.70	354.60
Group Net Profit	-4%	209.20	216.90	374.10	139.30	190.30
Group Free Cash Flow	-24%	279.60	366.20	507.00	311.80	265.90
Directors Remuneration						
Piersilvio Berlusconi	10%	3,002,917	2,738,497	2,202,411	1,668,777	2,207,214
Marco Angelo Giordani	3%	1,823,757	1,775,484	2,005,892	1,401,269	1,816,316
Gina Nieri	2%	1,609,026	1,576,478	1,785,527	1,364,455	1,613,449
Niccolo' Querci	1%	1,667,795	1,645,145	1,836,832	1,478,053	1,727,100
Stefano Guido Sala	3%	3,264,683	3,161,234	3,433,222	2,506,447	3,262,961
Fedele Confalonieri	1%	1,961,250	1,935,000	1,905,000	1,875,000	1,875,000
Marina Berlusconi	0%	40,000	40,000	40,000	40,000	40,000
Marina Brogi	0%	40,000	40,000	40,000	40,000	40,000
Stefania Bariatti	0%	40,000	40,000	40,000		
Raffaele Cappiello	0%	40,000	40,000	40,000	40,000	40,000
Costanza Esclaplon De Villeneuve	0%	40,000	40,000	40,000	40,000	40,000
Giulio Gallazzi	0%	40,000	40,000	40,000	40,000	40,000
Alessandra Piccinino	0%	40,000	40,000	20,000		
Danilo Pellegrino	0%	40,000	40,000	40,000	40,000	40,000
Carlo Secchi	0%	40,000	40,000	40,000	40,000	40,000
Average Employee Compensation	-1%	63,316 *	64,271	63,815	62,321	62,924
Pay Ratio		47	43	35	27	35

* From 2023 the average remuneration of employees is included in the calculation perimeter of Grupo Audiovisual Mediaset España following the integration into MFE.

[62] From 2023 the average remuneration of employees is included in the calculation perimeter of Grupo Audiovisual Mediaset España following the integration into MFE

ANNUAL REPORT 2023

Consolidated Financial Statements and Explanatory Notes

MFE-MEDIAFOREUROPE GROUP
CONSOLIDATED STATEMENT OF INCOME

INCOME STATEMENT	Notes	2023	2022
Revenues from sales of goods and services	6.1	**2,785.0**	**2,770.4**
Other income	6.2	**25.4**	**30.8**
Personnel expenses	6.3	(476.5)	(478.7)
Purchases, services, other costs	6.4	(1,551.6)	(1,518.9)
Amortisation, depreciation and impairments	6.5	(480.1)	(523.5)
Total costs		**(2,508.1)**	**(2,521.1)**
Operating result		**302.3**	**280.1**
Financial expenses	6.6	(58.5)	(53.6)
Financial income	6.7	32.1	85.2
Result from investments accounted for using the equity method	6.8	3.9	25.5
Profit before tax		**279.7**	**337.2**
Income taxes	6.9	(62.9)	(62.2)
NET PROFIT FOR THE YEAR		**216.8**	**275.0**
Attributable to:			
- Equity shareholders of the parent company		209.2	216.9
- Non-controlling interests		7.5	58.1
Earnings per share (€)	6.10		
- Basic		0.37	0.49
- Diluted		0.37	0.49

MFE-MEDIAFOREUROPE GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2023	2022
NET PROFIT FOR THE YEAR (A):	6.10	**216.8**	**275.0**
Other Comprehensive income/(loss) that may be subsequently reclassified to profit and loss		(25.9)	29.3
Effective portion of gains and losses on hedging instruments (cash flow hedge)	9.5	(25.6)	37.6
Share of other comprehensive income/(loss) of associates and joint ventures	9.4	(6.5)	0.7
Tax effect	9.4	6.1	(9.0)
Other Comprehensive income/(loss) that will not be reclassified to profit and loss		3.0	(286.1)
Actuarial gains/(losses) from defined benefit plans	9.4	(1.7)	4.1
Gains and losses on options valuation	9.4	17.8	33.6
Other gains and losses on investments at FVOCI	9.4	(12.8)	(324.7)
Tax effect	9.4	(0.4)	0.9
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) NET OF TAX EFFECTS (B)		**(22.9)**	**(256.8)**
TOTAL COMPREHENSIVE INCOME (A + B)		**193.8**	**18.2**
attributable to: - Equity shareholders of parent company		182.1	22.9
- non controlling interests		11.7	(4.6)

MFE-MEDIAFOREUROPE GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	31/12/2023	31/12/2022
NON-CURRENT ASSETS			
Property, plant and equipment	7.1	311.2	285.7
TV and movie rights	7.2	752.6	775.3
Goodwill	7.3	804.7	804.2
Other intangible assets	7.5	464.6	499.3
Investments in associates and joint venture	7.6	909.5	425.7
Other financial assets	7.7	93.9	576.0
Deferred tax assets	7.8	327.2	357.6
TOTAL NON-CURRENT ASSETS		**3,663.7**	**3,723.9**
Current assets			
Inventories	8.1	61.9	46.7
Trade receivables	8.2	775.4	748.8
Tax receivables	8.3.1	28.2	40.9
Other receivables and current assets	8.3.2	265.6	243.9
Current financial assets	8.4	38.8	34.1
Cash and cash equivalents	8.5	175.3	522.5
TOTAL CURRENT ASSETS		**1,345.2**	**1,636.8**
TOTAL ASSETS		**5,008.9**	**5,360.7**

MFE-MEDIAFOREUROPE GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31/12/2023	31/12/2022
SHARE CAPITAL AND RESERVES			
Share capital	9.1	161.7	800.3
Share premium reserve	9.2	1,149.6	424.0
Treasury shares	9.3	(358.0)	(390.7)
Revaluation reserves	9.4	(38.2)	(248.4)
Retained earnings and other reserves	9.5	1,744.8	1,865.7
Net profit for the year		209.2	216.9
Group Shareholders' Equity		2,869.1	**2,667.9**
Non-controlling interest in net profit		3.4	58.1
Non-controlling interest in share capital, reserves and retained earnings		1.5	167.6
Non-controlling interest		4.9	**225.7**
TOTAL SHAREHOLDERS' EQUITY		**2,874.0**	**2,893.6**
NON-CURRENT LIABILITIES			
Post-employment benefit plans	10.1	49.3	50.5
Deferred tax liabilities	7.8	84.8	91.3
Financial liabilities and payables	10.2	801.1	1,095.6
Provisions (non current portion)	10.3	29.3	39.4
Total non-current liabilities		**964.6**	**1,276.9**
CURRENT LIABILITIES			
Due to banks	11.1	231.5	265.2
Trade and other payables	11.2	602.6	591.1
Provisions (current portion)	10.3	69.1	69.1
Current tax liabilities	11.3	11.8	11.6
Other financial liabilities	11.4	63.9	78.6
Other current liabilities	11.5	191.4	174.8
TOTAL CURRENT LIABILITIES		**1,170.3**	**1,190.3**
TOTAL LIABILITIES		**2,134.9**	**2,467.1**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**5,008.9**	**5,360.7**

MFE-MEDIAFOREUROPE GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES:	notes	2023	2022
Operating Result		302.3	280.1
+ Depreciation, amortisation and impairments		480.1	523.5
+ Other provisions and non-cash movements	12.1	11.7	(0.4)
+/- Change in trade receivables		(26.6)	46.9
+ Change in trade payables		15.6	14.2
+ Change in other assets and liabilities	12.2	16.5	(33.4)
- Income tax paid		(30.6)	(55.9)
Net cash flow from/used in operating activities [A]		**769.0**	**775.0**
CASH FLOW FROM INVESTING ACTIVITIES:			
Proceeds from the sale of property, plant and equipment and intangible assets		0.4	5.8
Payments for investments in TV and movie broadcasting rights		(421.0)	(361.1)
Payments in investments in property, plant and equipment and intangible assets		(47.1)	(52.5)
Proceeds from government grants	12.3	6.6	21.8
Payments for equity investments in associates and joint ventures		-	(0.5)
Proceeds/(Payments) for hedging derivatives on financial assets	12.4	(0.3)	(43.2)
Proceeds/(Payments) for other financial assets	12.5	(78.7)	(36.2)
Dividends received	12.6	29.6	78.1
Business combinations net of cash and cash equivalents acquired		-	(0.1)
Net cash flow from/used in investing activities [B]		**(510.5)**	**(387.9)**
CASH FLOW FROM FINANCING ACTIVITIES:			
Change in treasury shares of the parent company and subsidiaries		-	(32.6)
Proceeds from financing	12.9	280.0	596.3
Financing repayments	12.9	(612.3)	(381.0)
Dividends paid	12.7	(142.1)	(133.9)
Changes in other financial liabilities	12.9	(23.6)	(23.2)
Interest paid		(27.5)	(12.1)
Changes in controlling interest	12.8	(80.2)	(193.6)
Net cash flow from/used in financing activities [C]		**(605.7)**	**(180.2)**
CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)		**(347.2)**	**206.9**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR [E]		**522.5**	**315.6**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (F=D+E)		**175.3**	**522.5**

MFE-MEDIAFOREUROPE GROUP

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium reserve	Treasury shares	Revaluation reserve	Retained earnings and other reserves	Net profit for the year	**Total equity attributable to equity shareholders of the parent company**	**Total equity attributable to non-controlling interests**	**TOTAL SHAREHOLDERS' EQUITY**
Notes	9.1	9.2	9.3	9.4	9.5				
Balance at 31/12/2021	**777.2**	**275.2**	**(374.5)**	**(33.7)**	**1,643.5**	**374.1**	**2,661.8**	**568.6**	**3,230.3**
Allocation of the parent company's 2021 net profit	-	-	-	-	374.1	(374.1)	-	-	-
Dividends paid	-	-	-	-	(131.9)	-	(131.9)	(0.9)	(132.8)
Increase in share capital under Purchase and Exchange Offer	23.1	148.8	-	-	-	-	171.9	-	171.9
Share based payment reserve evaluation	-	-	-	-	(1.9)	-	(1.9)	-	(1.9)
(Purchase)/sale of treasury shares	-	-	(16.2)	-	-	-	(16.2)	-	(16.2)
Gains/(losses) from transaction of treasury shares	-	-	-	-	(11.4)	-	(11.4)	-	(11.4)
Changes in controlling stake on subsidiaries	-	-	-	-	(21.5)	-	(21.5)	(337.2)	(358.6)
Other changes	-	-	-	(16.8)	11.0	-	(5.8)	(0.1)	(5.9)
Comprehensive income/(loss)	-	-	-	(197.9)	3.8	216.9	22.9	(4.6)	18.2
Closing balance at 31/12/2022	**800.3**	**424.0**	**(390.7)**	**(248.4)**	**1,865.7**	**216.9**	**2,667.9**	**225.7**	**2,893.6**
Closing balance at 31/12/2022	**800.3**	**424.0**	**(390.7)**	**(248.4)**	**1,865.7**	**216.9**	**2,667.9**	**225.7**	**2,893.6**
Allocation of the parent company's 2022 net profit	-	-	-	-	216.9	(216.9)	-	-	-
Dividends paid	-	-	-	-	(140.1)	-	(140.1)	(2.0)	(142.1)
Increase in share capital due to the merger	13.3	79.0	-	-	-	-	92.3	-	92.3
Reduction in share capital	(646.6)	646.6	-	-	-	-	-	-	-
Share based payment reserve evaluation	-	-	-	-	4.7	-	4.7	-	4.7
(Purchase)/sale of treasury shares	-	-	32.7	-	-	-	32.7	-	32.7
Gains/(losses) from transaction of treasury shares	(5.3)	-	-	-	(27.4)	-	(32.7)	-	(32.7)
Changes in controlling stake on subsidiaries	-	-	-	-	66.4	-	66.4	(230.5)	(164.1)
Other changes	-	-	-	230.8	(235.0)	-	(4.1)	-	(4.1)
Comprehensive income/(loss)	-	-	-	(20.6)	(6.5)	209.2	182.1	11.7	193.8
Balance at 31/12/2023	**161.6**	**1,149.6**	**(358.0)**	**(38.2)**	**1,744.8**	**209.2**	**2,869.1**	**4.9**	**2,874.0**

EXPLANATORY NOTES

1. GENERAL INFORMATION

MFE-MEDIAFOREUROPE N.V. ("MFE" or the "Company") is a listed joint-stock company (naamloze vennootschap) subject to Dutch legislation and registered in the Dutch Commercial Register (No. 83956859). It was incorporated on 26 November 1987. Its registered office (statutaire zetel) is at Prinsengracht 462 in Amsterdam (the Netherlands) and its headquarters and tax residence are at Viale Europa 46, 20093 Cologno Monzese, Milan, Italy. Its ultimate controlling party is Fininvest SpA The MFE ordinary shares are listed on Euronext Milan, a regulated market organised and managed by Borsa Italiana SpA, with tickers MFEA and MFEB. Since 14 June 2023, it has also been 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).

MFE is a multinational media group, mainly operating in the television industry in Italy and Spain.

In **Italy**, Mediaset is the leading operator by audience share and advertising market share in the commercial television broadcasting sector, with three of Italy's biggest general interest networks and an extensive portfolio of thematic free-to-air and pay TV channels - both linear and non-linear/OTTV) - with a broad range of cinema, TV series and children's channel content. In recent years, Mediaset has also set up its own radio segment through acquisitions, bringing together four of the largest national broadcasters.

In **Spain**, MFE operates through **Grupo Audiovisual Mediaset España**, the leading Spanish commercial television broadcaster with two main general interest channels (Telecinco and Cuatro) and a range of free-to-air thematic channels. The Group is also active in content production, OTT services and digital publishing activities.

The Group is also the largest shareholder, with 28.8% of share capital (29.7% of voting rights), of **ProSiebenSat.1 Media SE,** one of the largest television media groups in Europe and enjoys a position of leadership in Germany, Austria and Switzerland. It is listed on the Frankfurt Stock Exchange.

2. PRESENTATION BASIS AND ACCOUNTING STANDARDS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

These consolidated financial statements are:

prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) as adopted by the European Union (EU) and satisfy the financial reporting obligations contained in Part 9 of Book 2 of the Dutch Civil Code. All standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financing Reporting Interpretations Committee (IFRIC) effective year-end 2023 have been adopted by the EU. Consequently, the accounting policies applied by the Company also fully comply with IFRS as issued by the IASB.

- prepared by the Board of Directors of the Company and authorised for issue on 17 april 2024 and will be submitted for adoption to the Annual General Meeting of Shareholders on 19 June 2024.
- 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 risks and uncertainties regarding the business are described in the Directors' Report on Operations. The way in which the Group manages its financial risks, including liquidity and capital risk, is described in the section entitled "Disclosure on financial instruments and risk management policies" in these Explanatory Notes.
- 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.

2.1 ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the consolidated financial statements and the Explanatory notes to the consolidated financial statements, management is required to make estimates and judgements mainly necessary to measure certain assets and liabilities and evaluate contingent assets and liabilities. The application of accounting policies requires Judgments that impact the amount recognised. Additionally, amounts recognised are based on factors that are by default associates with uncertainty. Where applicable, the estimates and judgments are described per note within the consolidated financial statements.

In particular, preparing these Consolidated Financial Statements has required material judgment to be made to assess, based on the facts and circumstances arising during the year, whether the Group exercises significant influence on its investment in ProsiebenSat1 Media SE. As reported in the Interim Report for the period ending 30 June 2023 in relation to the facts and circumstances up to that date, it was found that MFE fulfilled the significant influence indicators established by IAS 28 starting from 30 June 2023. As a result, this investment – which was previously measured in accordance with IFRS 9 – was reclassified as an investment in associate to be measured using the equity method. These assessments are reported in greater detail Note 4 below*. Key Information relating to the Scope of Consolidation*, which describes the most significant corporate transactions and changes in the scope of consolidation during the year.

On the other hand, the most significant areas of the financial statements that required estimates and the related notes to be made were as follows:

- assumptions used in impairment testing (note 7.4 Assessment of recoverability of goodwill and other non-current assets, Note 7.6 Investments in associates and joint ventures)
- estimating the useful life of tangible and intangible assets (note 7.1 Property, plant and equipment; 7.2 Television and Movie Rights; 7.5 Other intangibles assets)
- assessment of the recoverability period of carried forward tax losses (note 7.8 Deferred tax assets and liabilities)
- assessment of credit risk for trade and financial receivables (note 8.2 Trade receivables)
- assumptions for discount rates, future salary increase and life expectancy to calculate the employees defined benefit plan (note 10.1 Post Employment Benefits Plans)
- assessment of the likelihood and estimating timing and potential cash flow relating to claims and litigations (note 10.3 Provisions and contingent liabilities)

The estimates used in preparing this Consolidated Financial Statements have mainly been used to estimate the recoverable amount of the cash generating units (CGUs) to which goodwill or other assets with definite or indefinite useful lives are allocated for the purposes of periodic testing as required by IAS 36. In accordance with IAS 36, these assets should be measured at their recoverable value, using the higher of (i) their value in use or (ii) their fair value net of disposal costs. Estimating the value in use involves, first, identifying the expected future cash flows that each asset or cash generating unit (CGU) will produce in its current condition, based on the five-year plans (2024-2028) drawn up on the basis of the guidelines approved by the Board of Directors on 13 March 2024, and, second, determining an appropriate discount rate.

The main uncertainties that could influence this estimate relate to determining the Weighted Average Cost of Capital (WACC) and the growth rate (g-rate) of the cash flows beyond the explicit forecast period, the development of the industry markets and, therefore, the assumptions made in estimating the expected cash flows for the years explicitly forecast and the cash flows used to determine the Terminal Value. Estimating fair value, on the other hand, involves applying the measurement criteria and techniques envisaged by IFRS 13 to determine - using one or more measurement techniques designed to maxi the observable inputs - the price that would be received, as at the measurement date, from the sale of an asset or a group of assets in an orderly transaction between market participants on the main market for those assets.

In preparing these consolidated financial statements, it was also necessary to determine the recoverable value of the investment held in the associate ProsiebenSat1. the carrying amount of this investment (EUR 496m or EUR 8,33 per share) was higher than its stock market value (EUR 329m or EUR 5,53 per share). Management has made a value in use calculation based on publicly available information and concluded that no impairment is required. Refer to note 7.6 for more information.

As regards the main financial assets measured in accordance with IFRS 9, the general creditworthiness of the counterparties was not seen to have deteriorated significantly enough as to significantly impact the Expected Credit Losses, which have also been updated based on the market parameters observable at the date of this consolidated financial statements. Therefore, there were no significant impacts in terms of impairment of the recognised assets.

The impairment and recoverability testing of the deferred tax assets recognised in the financial statements as at 31 December 2023, with particular reference to carried forward tax losses generated in the Italian consolidated tax perimeter, took into consideration the taxable income on the basis of the five-year plans (2024-2028) used for impairment testing for the explicit forecast period and, through extrapolation from the latter of the expected taxable income for the subsequent periods. Impairment testing also took into consideration the effects of the temporary differences on which deferred tax liabilities are recorded. In light of the tests conducted on this basis, the recovery period has been set at ten years.

The estimates and assumptions above are periodically revised and the impacts of each change are recognised in the income statement.

3. SUMMARY OF ACCOUNTING STANDARDS AND MEASUREMENT BASIS

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS 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.

This new principle aims to ensure that entities provide relevant information that faithfully represents the rights and obligations under the insurance contracts entered into. 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 these consolidated 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 to IAS 1 require entities to disclose relevant information about the accounting standards applied by the Group. The amendments are intended to enhance the disclosure of the Group's 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 consolidated 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.

From 1 January 2024, the MFE Group (as a Multinational Group that has exceeded the revenue threshold of EUR 750 million for two of the previous four years) falls within the Pillar-Two income tax bracket provided for in Directive 2022/2523 and adopted in Italy by Legislative Decree 209/2023, which aims to ensure a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union.

The Group MFE applied the mandatory temporary exception of the "*International Tax Reform-Pillar Two Model Rules*" amendment to IAS 12, which provides that information on deferred tax assets and liabilities relating to Pillar-Two income taxes are not to be recognised and disclosed (in derogation from the standard's provisions), information on deferred tax assets and liabilities relating to Pillar-Two income taxes are not hereby recognised and disclosed.

With respect to all Group companies (and any joint ventures) located in each jurisdiction, exposure to Pillar-Two income tax is determined based on the level of effective taxation, which for each jurisdiction is influenced by several interrelated factors such as (primarily) the income produced there, the nominal tax rate, the tax rules for determining the tax base and the provision, form and enjoyment of incentives and other tax benefits.

Moreover, given the novelty and complexity involved in determining the level of effective taxation, Pillar-Two legislation provides the option (for the first periods in which they are in effect; i.e. the "transitional" rules valid for periods beginning before 31 December 2026 and ending no later than 30 June 2028) to apply simplified "safe harbour" rules (granting an exception from country-by-country reporting) based primarily on the accounting information available for each relevant jurisdiction which, if at least one of three tests is passed will decrease compliance requirements and reduce Pillar-Two taxes to nil.

Based on known or reasonably estimable information for the Group MFE, no jurisdictions with an ETR of less than 15% have been identified.

Financial statements

The **Consolidated Statement of Financial Position** has been prepared according to the requirements of presenting current and non-current assets and liabilities separately. An asset is defined as current when it satisfies any of the following criteria:

- it is expected to be realised, or intended to be sold or consumed, in its normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be realised within twelve months after the end of the reporting period; or
- it is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All assets other than those meeting one of the criteria set out above are classed as non-current.

A liability is defined as current when it satisfies any of the following criteria:

- it is expected to be settled in its normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the end of the reporting period; or
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets (liabilities) are classified as non-current assets (liabilities).

The **Income Statement** has been prepared by allocating costs based on their nature, using the same methodology as the Group's internal reporting and in line with the prevailing international practices in the industry. Income is presented as Operating Result and Profit Before Tax. *Operating Result* is the difference between Revenues from sales of goods and services, Other income and operating costs (the latter of which include non-monetary costs relating to amortisation, depreciation and impairments of current and non-current assets, net of any reversal).

The **Comprehensive Income Statement** shows the cost and revenue items, after tax, which are posted directly to shareholders' equity reserves as required or permitted by the various International Accounting Standards. These items are further divided into those that may be reclassified to the income statement in the future and those that cannot be reclassified. Each type of significant shareholders' equity reserve shown in the statement is accompanied by a reference to the explanatory notes below, which contain related information and breakdowns, and changes on the previous fiscal year.

The **Cash Flow Statement** has been prepared using the indirect method, whereby Operating Result is adjusted to take into account non-cash revenue, deferrals or accruals of past or future operating cash receipts or payments, and income or expense items associated with investing or financing cash flows. Investments in television broadcasting rights are included within investment activities. Similarly, receipts and payments from the hedging of cash flows for foreign currency payments of television broadcasting rights are given the same classification as the hedged item, falling under cash flow from investments activities. Income and expenses relating to medium/long-term financing transactions and related hedging derivatives, as well as dividends paid, are included within financial activities.

The **Statement of Changes in Shareholders' Equity** shows the changes that have taken place in shareholders' equity items in relation to:

- allocation of the profit of the Group Parent and subsidiaries for the period to shareholders;
- breakdown of comprehensive income/loss;
- amounts relating to transactions with shareholders;
- purchases and sales of treasury shares;
- impact from any changes to accounting standards.

PRINCIPLES AND SCOPE OF CONSOLIDATION

The Consolidated Financial Statements includes the financial information of MFE-MEDIAFOREUROPE N.V. and of the Italian and foreign companies over which MFE is entitled to exercise direct or indirect control, meaning that the investor is able to influence its returns (exposure or rights to variable returns) by exercising power, meaning that it is able to direct the relevant activities of the controlled entity - i.e. the activities that significantly affect the investee's returns.

Generally, the majority of the voting rights entails control. In support of this presumption and when the Group holds less than a majority of the voting rights (or similar rights), the Group considers other relevant facts and circumstances to determine whether it controls the investee, including:

- contractual agreements with other holders of voting rights;
- rights arising from contractual agreements;
- voting rights and potential voting rights held by the Group.

The assets and liabilities, and the expenses and income of the **subsidiaries**, are consolidated line-by-line, meaning that they are included in their entirety in the consolidated financial statements. The carrying amount of these investments is offset against the corresponding portion of equity of the investee companies, giving each individual asset and liability item its current value at the date of acquisition of control (Purchase Method), or when the Full Goodwill Method is applied (an option that can be exercised separately for each individual business combination) by also recognising the amount of goodwill not belonging to the Group with an offsetting entry of the minority interest in equity. The Group has not yet taken up this option. Any remaining difference, if positive, is recorded under the non-current asset item "*Goodwill*" and, if negative, is recognised as income in profit and loss.

In the case of acquisitions of controlling investments with the same ultimate parent company (business combination under common control), which are excluded from the scope of obligatory application of IFRS 3, and in the absence of specific IAS/IFRS standards or interpretations for these types of operations, *the principle of carry-over method* is generally considered to apply, taking into account the provisions of IAS 8. According to that principle, the assets and liabilities must be transferred to the acquirer's financial statements for the amounts recorded in the consolidated financial statements as at the date of the transfer of the ultimate parent company of the parties that carry out the business combination, with any difference between the consideration paid for the investment and the carrying amount of the assets recognised in the relevant Group shareholders' equity reserve.

In preparing the consolidated financial statements, all receivables, payables, costs and revenues between consolidated companies, as well as unrealised profits on intercompany operations, have been eliminated.

The amounts of shareholders' equity and income for the period of the consolidated companies belonging to non-controlling shareholders are identified and shown separately in the *Consolidated Statement of Financial Position* and the *Consolidated Statement of Income.*

In the event of a loss of control, the difference between the fair value of consideration received and the carrying amount of consolidated net assets is recognised in profit and loss. If the set of activities discontinued constitutes a material business (a business sector or a business unit), this difference is posted to Net profit/(loss) from discontinued operations., together with the profit or loss generated by the discontinued activities up until the date of deconsolidation. Changes resulting from purchases or sales of non-controlling interests held in subsidiary companies are treated as transactions with shareholders, as long as they do not result in a loss of control. Consequently, the difference between the fair value of the consideration paid or received for these transactions and the adjustment made to minority interests is recognised under *Reserve for transactions with non-controlling interests* (including under "Other Reserves") of the shareholders' equity of the holding company. Likewise, in accordance with IAS 32, transaction costs must also be recognised in shareholders' equity.

The assets and liabilities of *foreign companies* that fall within the scope of consolidation and that originate in currencies other than the Euro, including goodwill and fair value adjustments of the assets and liabilities identified at the time of allocation of the price paid in a business combination, are translated using the spot exchange rates at the financial statement reporting date; income and costs, on the other hand, are translated at the average exchange rate for the year. Any translation differences that arise from applying these methods are recognised under a special shareholders' equity reserve until the investment is sold.

The **associates** and **joint ventures** are recognised in the consolidated financial statements using the **equity method**, as described in the *Equity investments* item below.

Pursuant to IAS 28, an *associate* is a company in which the Group is able to exercise significant influence, but not control or joint control, by participating in decisions regarding the financial and operational policies of the investee.

On the other hand, with reference to IFRS 11, a *joint venture* is an arrangement whereby the parties that have joint control have rights to the net assets of the arrangement (shareholders' equity).

Joint control is defined as the *contractually agreed* sharing of control of an arrangement, which exists only when the significant decisions relating to the activity require the *unanimous consensus* of all parties sharing control.

Goodwill

The **goodwill** resulting from the acquisition of control of an investment or of a business unit is the excess of the acquisition cost, understood as being the consideration transferred in the business combination, plus the fair value of any investment that was previously owned in the acquired business, over the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business at the date of acquisition.

For the purposes of calculating goodwill, the consideration transferred in the business combination is calculated as the sum of the fair values of the assets transferred and the liabilities assumed by the Group at the date of acquisition and of the capital instruments issued in exchange for the control of the acquired entity, also including the fair value of any contingent considerations subject to conditions established in the acquisition agreement.

Any goodwill adjustments may be recognised in the *measurement period* (which cannot be more than one year from the date of acquisition) that are due to either subsequent changes in the fair value of the contingent considerations or to the calculation of the fair value of the assets and liabilities acquired, if recognised only provisionally at the date of acquisition and when these changes are calculated as adjustments based on additional information regarding facts and circumstances existing at the date of the business combination.

Any subsequent differences compared to the initial estimate of the fair value of liabilities for **contingent considerations** are recognised in the income statement, unless they derive from additional information existing at the acquisition date (in which case they can be adjusted within 12 months from the acquisition date). Likewise, any rights to receive back some parts of the consideration paid if certain conditions arise must be classified as assets by the acquirer.

The **transaction costs** for business combinations are recognised in the accounting period when they are incurred, with the exception of those incurred for issuances of debt securities or shares that must be recognised in accordance with IAS 32 and IFRS 9.

In the case of **acquisition of controlling interests of less than 100%**, the goodwill and the corresponding non controlling interest in the goodwill can be calculated at the acquisition date either with respect to the percentage control acquired (partial goodwill) or by measuring the fair value of the non controlling shareholdings (full goodwill method).

The measurement method can be chosen from time to time for each transaction.

For **step acquisitions of controlling interests** the acquirer must recalculate the fair value of the previously held interest, up till that time, recognised, depending on the case, in accordance with IFRS 9 – *Financial Instruments*, in accordance with IAS 28 – *Investments in Associates and Joint Ventures* or in accordance with IFRS 11 – *Joint arrangements*, as if it had been sold and reacquired at the date when control was acquired, recognising any gains or losses resulting from that measurement in the income statement. In addition, in these circumstances any amount previously recognised in shareholders' equity as *Other comprehensive income and losses* must be reclassified to the income statement, except where the investment is designated as a financial asset measured at FVOCI without recycling to profit and loss.

In the case of disposal of controlling interests, the remaining amount of goodwill attributable to the interests is included in the calculation of the gain or loss from disposal.

The goodwill recognised as a result of **business combinations taking place before 1 January 2010** has been treated in accordance with the criteria laid down in the previous version of IFRS 3, which required:

- for *acquisition of controlling interests of less than 100%*, calculation of goodwill based on the proportional amount of the fair value of the identifiable net assets acquired;

- for *step acquisitions of controlling interests*, the calculation of goodwill as the sum of the fair values generated separately with each transaction;

- the inclusion of transaction costs in the amount of the acquisition cost;

- the recognition of contingent considerations at the acquisition date only if their payment was considered probable and their amount could be reliably determined; if detected later, these were recognised as an increase in goodwill.

CHANGES IN ACCOUNTING ESTIMATES

In accordance with IAS 8, these items are recognised in the income statement on a prospective basis starting from the accounting period in which they are adopted.

NEW EU-ENDORSED IFRS ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET MANDATORY AND NOT ADOPTED EARLY BY THE GROUP

The endorsed standards issued but not yet effective at the date of preparation of the Group's financial statements are listed below. The Group does not intend to adopt these principles in advance. The directors do not expect the adoption of these amendments to have any significant effect on the Group's consolidated financial statements.

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**". These amendments aim to clarify how current and non-current payables and other liabilities are classified. The amendments also enhance the information that an entity must disclose when its right to defer settlement of a liability for at least 12 months is subject to compliance with certain parameters (i.e., covenants). The amendments 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 consolidated financial statements.

On **22 September 2022**, the IASB issued an amendment called "**Amendments to IFRS 16 Leases: 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.

New IFRS accounting standards, interpretations and amendments not yet endorsed by the European Union

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

On **25 May 2023**, the IASB published an amendment entitled "**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 apply from 1 January 2024.

On **15 August 2023**, the IASB published an amendment entitled "**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability**". These amendments require entities to ensure that a methodology is consistently applied to ascertain whether one currency can be exchanged into another and, when this is not possible, how the exchange rate should be determined and disclosed in the notes to the financial statements. The amendments apply from 1 January 2025, but early adoption is permitted.

The directors are currently evaluating the possible effects of the introducing these amendments for the Group's consolidated financial statements.

4. KEY INFORMATION RELATING TO THE SCOPE OF CONSOLIDATION

IFRS 10 requires an investor, when assessing whether it controls an investee, to focus on the activities that significantly affect the investee's returns and to take into account substantial rights only; i.e. rights that confer current ability to direct relevant activities of the subsidiary

As required by IFRS 10, paragraph B80 et seq., the control requirement was reassessed this year to verify the conditions that had led to classification of subsidiaries, associates and joint ventures. No events or circumstances arose in 2023 to alter the conclusions reached in previous financial years as regards the following companies:

- The companies Boing SpA (51% shareholding), Mediamond SpA (50% shareholding), Fascino S.r.l. (50% shareholding), Tivù S.r.l. (48.16% shareholding) and European Broadcaster Exchange Ltd (EBX) (25% shareholding) are joint ventures of the Group, as arrangements whereby the parties that have joint control of the arrangement have rights over the net assets of the arrangement, which are therefore accounted for by using the equity method.

The most significant transactions regarding the scope of consolidation occurred during the year are listed below.

Cross-border merger of MES into MFE

During the first six months of the year, the **joint project for the cross-border merger by incorporation of Mediaset España Comunication (“MES”) (the incorporated 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% as compared to the withdrawal right of EUR 3.2687 per MES share. This is because the acquisitions were concluded before payment was made to the MES shareholders exercising their withdrawal 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 that 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 joint cross-border merger project, 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 swap 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% during the first half of the year. These transactions are treated in accounts as equity transactions, as a result of which a EUR 66.5 million positive difference has been recognised in the Consolidated Financial Statements 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 net book value 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% shareholding held by the Group in the first quarter and a 100% shareholding starting from the second quarter of the year. The consolidation of the Group's total carrying amount from April rather than the beginning of May (to coincide with the effective date of the merger) did not have any significant impact in terms of the Group's net result or the reclassification of net profit attributable to non-controlling interests to that attributable 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 in MFE's portfolio were also cancelled, with MFE's issued share capital reduced accordingly.

Reverse split of A-class ordinary shares and B-class ordinary shares, and simultaneous reduction of share capital

On **14 June 2023**, MFE A-class ordinary shares, each with a par value of EUR 0.06 and carrying one voting right each, 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).

On **23 October 2023,** MFE - MEDIAFOREUROPE NV, in implementation of the resolution passed at the Shareholders' Meeting of 7 June of last year, effected a reverse split of A-class ordinary shares and B-class ordinary shares, whereby:

- every 5 A-class Ordinary Shares were consolidated into 1 new A-class Ordinary Share, with the par value of each new A-class Ordinary Share being maintained at the pre-reverse split value of EUR 0.06; and
- every 5 B-class Ordinary Shares were consolidated into 1 new B-class Ordinary Share, with the par value of each new B-class Ordinary Share being maintained at the pre-reverse split value of EUR 0.60.

Also in implementation of the resolution passed at the Shareholders' Meeting:

(a) to ensure that the number of Ordinary Shares before the reverse split was divisible by 5 (i.e. a reverse split ratio of 5:1), the Company purchased 4 A-class Ordinary Shares and 4 B-class Ordinary Shares and then cancelled them on the Effective Date of the reverse split; and

(b) to maintain the par values of A-class Ordinary Shares and B-class Ordinary Shares before the reverse split, the Company reduced its share capital on the Effective Date of the reverse split to the extent strictly necessary. Following this reduction and the cancellation mentioned in (a) above, the (issued) share capital equalled EUR 161,649,413.76, represented by 331,701,776 A-class Ordinary Shares each with a par value (still) of EUR 0.06 and 236,245,512 B-Class Ordinary Shares each with a par value (still) of EUR 0.60.

The Company also made changes to its management's share incentive plans from that date onwards, in light of the new number of Ordinary Shares following the reverse split.

Accordingly, on **23 October 2023** MFE - MEDIAFOREUROPE NV informed the market of the Reverse Split of Ordinary Shares and the new composition of the Company's (issued) share capital, which now stood at EUR 161,649,413.76, represented by a total of 567,947,288 shares, of which 331,701,776 A-class Ordinary Shares (par value of EUR 0.06) and 236,245,512 B-Class Ordinary Shares (par value of EUR 0.6), including 7,724,932 B-class treasury shares.

On **22 November 2023**, MFE-MEDIAFOREUROPE NV informed the market of the new composition of its share capital following the issuance of 823 new ordinary MFE "A"-Class shares, each with a par value of EUR 0.06 and each granting 1 voting right, regular entitlement and coupon number 1, which was to be assigned by exchange to a former shareholder of Videotime S.p.A, a company merged by incorporation into MFE-MEDIAFOREUROPE NV (then Mediaset S.p.A.) on 1 March 2018 in accordance with the merger plan.

As a result of this transaction, the Company's subscribed and paid-up share capital increased from EUR 161,649,413.76 to EUR 161,649,463.14.

In addition, MFE held 7,724,109 treasury shares at 31 December 2023.

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

On **13 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 incorporated **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** and increased its shareholding from 80% to 100% in the **third quarter of 2023**.

On **1 July 2023**, the subsidiary Publieurope Limited subscribed for the allocation and issue of 191 new ordinary shares, each with a par value of GBP 1, in the company **Dr Podcast Audio Factory Limited**. As a result of this transaction, Publieurope Limited's shareholding increased from 30% to 70.0599% of share capital. As a result of this increase, the company was consolidated line-by-line from July onwards.

On **27 September 2023,** the subsidiary **Publiespana, SAU**acquired shares representing 1.468% of share capital in **Aninpro Creative SL,** thus increasing its stake from 51% to 52.468% of the share capital.

On **21 December 2023**, **Taodue S.r.l.** was merged by incorporation into parent company **RTI S.p.A**. The accounting and tax effects of the merger apply from 1 January 2023. The operations of the merged company are, therefore, recognised in the financial statements of RTI S.p.A. starting from this date.

On **22 December 2023,** the shareholder Direct Channel S.p.A. transferred to Publitalia '80 S.p.A. the entire 50% shareholding in **Mediamond S.p.A.**, taking effect on 1 January 2024.

In the **fourth quarter of 2023,** the investment held by Advertisement 4 Adventures SLU in **Zandivio LTD** increased from 0.63% to 6.61% in share capital.

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

Equity investment in ProSiebenSat1 Media SE

On **19 May 2023**, MFE acquired an additional **stake in P7S1**, thus increasing its **total shareholding** from 25,01% as at 31 December 2022 **to 28.87%** of share capital (of which 26.58% held directly and 2.29% through securities lending). Excluding treasury shares, this shareholding corresponds to **29.70% of voting rights** (of which 27.34% held directly and 2.35% through securities lending).

As regards MFE's total direct and secured position in P7S1 at 30 June, a **3.33% share in P7S1's share capital** (including the above mentioned 2.29% interest secured through securities lending) was hedged through financial instruments at that date (collar with cash or equity settlement option) to protect itself against 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 P7S1's decision-making in terms of the indicators mentioned in IAS 28. Specifically, as was the case when MFE exceeded 20% of voting rights in P7S1 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, up to 30 June 2023, MFE had no representation on either the Executive Board or the Supervisory Board of the Company, while it represented the major shareholder of P7S1. Therefore, in the period before 30 June 2023, the entire investment of MFE continued to be recognised and measured in accordance with **IFRS9**. This meant aligning the carrying amount of the investment with its stock market value, recognising the fair value of the financial assets and liabilities related to the hedging derivatives with changes presented in Comprehensive Profit/(loss) and in Valuation reserves of Group equity 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 P7S1 Shareholders' Meeting on 30 June 2023.

On **30 June 2023**, the Shareholders' Meeting of P7S1 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. One of the members included in the list submitted by the Supervisory Board and appointed is a MFE executive.

Under P7S1'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, beginning 30 June 2023, 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).

In relation to this event, the **25.54% stake in share capital representing the 26.28% share of voting rights and economic interests** have since been reclassified from *Other financial assets* to **Investments in associates** in the MFE's Consolidated Interim Statement of Financial Position, and are measured using the equity method in accordance with IAS 28. The accumulated reserves generated up to that date as a result of the fair value changes compared to the initial values of the investment, which were included in consolidated shareholders' equity without reversal to profit and loss, were reclassified from *Revaluation reserves* to *Retained earnings and Other reserves*. At **31 December 2023**, MFE's shareholding in P7S1, measured using the **equity method,** represents the **26.25**% of voting rights (net of the treasury shares at that date).

At 31 December 2023, the carrying amount of this investment includes (provisionally, in accordance with IFRS 3) a notional goodwill of EUR 165.2 million as compared to the corresponding portion of the investee's consolidated net assets at 30 June 2023. In accordance with IAS 28, the value of this goodwill may be remeasured as part of a purchase price allocation process on or before 30 June 2024, as provided for in IFRS 3, to retroactively determine the pro-rata fair value of the assets and liabilities existing at the initial date of recognition.

However, the **residual shareholding** held and secured at that date – corresponding to 3.33% of share capital (**3.42%** net of treasury shares at that date) – which was hedged through financial instruments (collar with cash option or equity settlement), was maintained as a **financial investment in accordance with IFRS 9**. Therefore, at 31 December 2023, the carrying amount of that part of the investment in P7S1 was adjusted to the stock market price at that date, with the value changes during the year recognised in the other comprehensive income, without reversal to profit and loss, in line with the accounting treatment applied to the related hedging derivatives.

See Note 7.6 for more information on the accounting treatment of this investment.

Incorporation, acquisition of new companies, capital increases, sale of and changes in 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.

On **14 July 2023,** the company **Alea Lagrimas SLU** by associate company Alea Media SA.

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.

On **26 June 2023**, the associate Producciones Mandarina, SL, acquired a 100% stake in**Joko TV, SL**.

In the **third and fourth quarter of 2023**, following certain equity transactions, the investment held by RTI S.p.A. in **Pascol S.r.l.** increased to 6.90% of share capital.

In the **fourth quarter of 2023,** the 4.62% equity investment held by RTI S.p.A. in **Spotted GmbH** decreased to nil and liquidation proceedings were initiated.

In the **fourth quarter of 2023,** the investment held by RTI S.p.A. in **Blooming Experience** decreased from 1.22% to 0.99%.

Financial information of material associates and joint ventures

The table below shows the main figures from the 2023 income statement and statement of financial position for the main associates for the Group, based on the carrying amount of the investments held in those companies and to their contribution to the Group's profits, as required by IFRS 12, paragraph 20 and paragraphs B12 and B13 of the Operating Guide.

	ProsiebenSat. 1Media SE	EI Towers Group
Current assets	1,504.0	76.6
Cash and cash equivalents	573.0	24.8
Non-current assets	4,400.0	1,831.2
Current liabilities	1,571.0	60.4
Current financial liabilities:	106.0	13.5
Non-current liabilities	2,753.0	926.2
Non-current financial liabilities	2,119.0	714.0
Revenues	3,852.0	285.3
Profit or (loss) for the year	(134.0)	24.4
Other Comprehensive Income Statement items	(48.0)	(0.2)
Comprehensive Statement of Income	(182.0)	24.1
Amortisation and depreciation	227.0	93.6
Income taxes	(30.0)	10.0
Dividends paid	(11.0)	(49.0)

	ProsiebenSat.1Media SE		EI Towers Group	
	2023	2022	2023	2022
Net assets of associate	1,260	1,508	919.0	944.1
Company share in %	26.25%	0%	40%	40%
Proportion of the group's ownership interest in the associate	330.7	-	367.6	377.7
Goodwill	165.2	-	-	-
Other Adjustment	-	-	0.3	0.3
Carrying amount of the group's interest in the material associate	**495.9**	**-**	**367.9**	**378.0**

ProSiebenSat.1 Media SE is one of the largest television media groups in Europe and enjoys a position of leadership in Germany, Austria and Switzerland. It has a broad shareholder base and is listed on the Frankfurt Stock Exchange. At 31 December 2023, MFE was the largest shareholder of ProSiebenSat.1 Media SE with a total shareholding of 28.87% in share capital (29.67% excluding treasury shares), of which 26.58% is held directly and 2.29% secured through financial instruments.

EITowers is a subsidiary, based in Lissone (province of Monza-Brianza), controlled by the F2iSGR private equity fund, which is 40%-owned by MFE-MEDIAFOREUROPE N.V. The EI Towers Group is one of the largest operators in integrated service network infrastructure for electronic communications, serving radio and television broadcasters and mobile and wireless telecommunications providers under long-term agreements. Under a multi-year full-service agreement running from 1 July 2018 to 30 June 2025 and renewable for a further seven years subject to renegotiation of a new price during the agreement's last 12 months, EI Towers offers hosting, assisting and maintenance services, the design of transmission equipment and broadcast contribution management to Elettronica Industriale, a MFE Group network operator, and provides hosting and maintenance services for the radio broadcasting equipment of the Group's broadcasters.

The following table includes, in aggregate, the carrying amount and share of profit and OCI of joint ventures and associates:

	2023	2022
The group's share of profit/(loss) from continuing operations	5.5	11.5
The groups's share of other comprehensive income	(0.2)	0.7
The groups's share of total comprehensive income in not material associates and joint venture	5.4	12.2
Aggregate carrying amount of the group's interests in not material associates and joint venture	45.7	47.7

5. SEGMENT REPORTING

As required under 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 the *Directors’ 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 31 December 2023 and 2022 respectively.

The financial results for 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, the investment in ProSiebenSat.1 Media SE and the financial assets and liabilities related to that 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.

The net consolidated revenues of both sectors are given without any specific breakdown of their nature since this information, already reported at Group level (see note 6.1 and 6.2), is not considered to be relevant given the location of the group's activities in the same macro-economic area (South Europe). The breakdown between advertising revenues and other revenues streams, more useful for understanding the business trend in the two business areas, is however already reported in the Directors' Report on Operations.

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

2023	ITALY	SPAIN	Eliminations/ Adjustments	MFE GROUP
MAIN INCOME STATEMENT FIGURES				
Revenues from external customers	1,976.1	834.3		2,810.4
Inter-segment revenues	2.2	(1.2)	(0.9)	-
Consolidated net revenues	**1,978.3**	**833.0**	**(0.9)**	**2,810.4**
%	70%	30%		100%
EBIT	**147.2**	**154.8**	**0.3**	**302.3**
Financial income/(losses)				(26.5)
Income/(expenses) from equity investments valued with the equity method				4.9
Impairment of equity investments valued with the equity method				(1.0)
PROFIT BEFORE TAX				**279.7**
Income taxes				(62.9)
NET PROFIT FOR THE PERIOD				**216.8**
Attributable to: - Equity shareholders of the parent company				209.2
- Non-controlling Interests				7.5
OTHER INFORMATION				
Property, plant and equipment	272.3	38.9	-	311.2
TV and movie rights	647.6	105.8	(0.8)	752.6
Goodwill	146.9	294.6	363.2	804.7
Other intangible assets	303.6	160.9	-	464.6
Investments in associates and joint venture	899.8	10.1	(0.4)	909.5
Non-Current Assets (*)	**2,270.3**	**610.3**	**362.0**	**3,242.6**
Assets	4,548.1	1,198.2	(737.5)	5,008.9
Liabilities	2,068.3	336.5	(269.9)	2,134.9
Investments in tangible and intangible non current assets	322.3	144.5	(0.4)	466.4
Amortisation and depreciation	334.7	146.0	(0.6)	480.1
Other non monetary expenses	7.3	-	-	7.3

(*) Includes the change in "Advances for television rights acquisitions"

2022	ITALY	SPAIN	Eliminations/ Adjustments	MFE GROUP
MAIN INCOME STATEMENT FIGURES				
Revenues from external customers	1,935.3	865.9	-	2,801.2
Inter-segment revenues	2.4	(0.6)	(1.8)	-
Consolidated net revenues	**1,937.7**	**865.3**	**(1.8)**	**2,801.2**
%	69%	31%		100%
EBIT	**88.5**	**192.4**	**(0.7)**	**280.1**
Financial income/(losses)				31.6
Income/(expenses) from equity investments valued with the equity method				25.4
Impairment of equity investments valued with the equity method				0.0
PROFIT BEFORE TAX				**337.2**
Income taxes				(62.2)
NET PROFIT FOR THE PERIOD				**275.0**
Attributable to: - Equity shareholders of the parent company				216.9
- Non-controlling Interests				58.1
OTHER INFORMATION				
Property, plant and equipment	246.7	39.0	-	285.7
TV and movie rights	669.2	107.0	(0.9)	775.3
Goodwill	146.6	294.5	363.2	804.2
Other intangible assets	331.5	167.9	(0.0)	499.3
Investments in associates and joint venture	415.8	10.0	(0.1)	425.7
Non-Current Assets (*)	**1,809.8**	**618.4**	**362.1**	**2,790.3**
Assets	4,570.6	1,663.8	(873.7)	5,360.7
Liabilities	2,111.0	359.3	(3.1)	2,467.1
Investments in tangible and intangible non current assets (*)	276.6	119.4	-	396.0
Amortisation and depreciation	373.8	150.3	(0.6)	523.5
Other non monetary expenses	(7.2)	1.5	-	(5.6)

(*) Includes the change in "Advances for television rights acquisitions"

The following table shows the cash flow statement for each geographical area.

Cash Flow Statement (geographical breakdown)	ITALY		SPAIN	
	2023	2022	2023	2022
Operating Result	**147.2**	**88.5**	**154.8**	**192.4**
+ Depreciation, amortisation and impairments	334.7	373.8	146.0	150.3
+ Other provisions and non-cash movements	4.5	1.1	7.2	(1.5)
+ Change in working capital	(11.8)	(4.5)	17.1	30.9
- Income tax paid	(4.7)	(17.5)	(25.9)	(38.4)
Net cash flow from/(used) operating activities [A]	**469.8**	**441.4**	**299.2**	**333.7**
CASH FLOW FROM INVESTING ACTIVITIES:				
Proceeds from the sale of fixed assets	0.4	3.4	-	2.4
Payments for investments in television rights	(286.5)	(257.0)	(134.5)	(104.1)
Payments for investments in other fixed assets	(39.3)	(47.1)	(7.8)	(5.4)
Proceeds from government grants	6.6	21.8		
Proceeds/(Payments) for hedging derivatives	(0.3)	(6.1)	-	(37.1)
Payments for equity investments in associates and joint venture	-	(0.5)	-	-
Proceeds/(payments) in other financial assets	(78.5)	(31.4)	(244.3)	(4.9)
Dividends received	28.4	51.0	1.2	27.1
Business combinations net of cash and cash equivalents acquired	-	(0.1)	-	-
Net cash flow from/(used) in investing activities [B]	**(369.3)**	**(266.0)**	**(385.5)**	**(121.9)**
CASH FLOW FROM FINANCING ACTIVITIES:				
Change in treasury shares of the parent company and subsidiaries	-	(32.6)		
Proceeds from financing	277.0	596.0	3.0	0.3
Reimbursement of payments	(612.3)	(381.0)		
Dividends paid	(140.1)	(133.0)	(2.0)	(0.9)
Changes in other financial liabilities	220.7	(23.2)		
Interest paid	(32.2)	(14.3)	-	(1.3)
Interest received	-	2.2	4.7	1.3
Change in controlling interest/consolidation area	268.0	(193.6)	(3.9)	
Net cash flow from/(used) in financing activities [C]	**(18.9)**	**(179.6)**	**1.8**	**(0.6)**
CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	**81.6**	**(4.2)**	**(84.5)**	**211.2**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR [E]	**22.3**	**26.6**	**156.0**	**289.0**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR [F=D+E]	**103.8**	**22.4**	**71.5**	**500.2**

NOTES ON THE MAIN ITEMS OF THE STATEMENT OF INCOME

6. INCOME STATEMENT

6.1 REVENUES FROM SALES OF GOODS AND SERVICES

The revenues from sales and services are recognised, respectively, when control is actually transferred as a result of the transfer of ownership or provision of the service.

In particular, the main streams of revenue generated by the Group's activities are recognised and reported according to the following criteria:

Advertising revenues (TV and other advertising revenues) are recognised at the moment the advertisement or commercial spot appears; Revenues from the sale of advertising under barter operations and, correspondingly, the costs of the merchandise, are recognised at fair value to take into account the estimated realisable value of the merchandise.

The **sale of goods** are recognised at the moment they are shipped or delivered (depending on how the actual transfer of control is governed by specific contractual provisions and terms of trade);

Sales of television broadcasting rights and productions, even for limited use periods, which result in the transfer of control of the asset to the sub-licensee, are fully recognised from the start of the period of the transferred use (or when the sub-licensee can start benefitting from the right to use them);

Pay streaming service: income from pay TV subscriptions is recognised as accrued on a time basis from the contract start date.

Revenues are shown net of returns, discounts, allowances and premiums, as well as any directly linked tax charges.

The main types of activities that fall within each major revenue stream are given below.

Revenues from the sale of **television advertising** include the revenues, net of agency commissions, from the sale of advertising space on free-to-air networks by Publitalia '80 S.p.A.; revenues from the sale of advertising space on pay-TV channels broadcast via digital terrestrial technology by Digitalia '08 S.r.l.; and revenues from the sale of advertising space on Spanish broadcasters of the Mediaset España Group by Publiespaña S.A. and Publimedia S.A.

Other advertising revenues relate to amounts due to the Group as revenues from radio advertising space on proprietary websites granted exclusively to the subsidiary Mediamond, as well as revenues for teletext commercial services and advertising revenues from non-TV media, earned by Publieurope Ltd. and Publimedia S.A and revenues collected for third parties.

Revenues from the **sale of TV rights and television productions** mainly include revenues from the multi-platform sale of content and the sale of movie rights for home video and television.

Revenues from the Group's **Pay streaming service** mainly refer to the non-linear content and services on Infinity streaming platforms in Italy and on Mitele PLUS in Spain.

Revenues from **construction and maintenance of television equipment** mainly relate to the income for the use of transmission capacity on digital terrestrial television networks. This item also includes revenues from the sale of equipment by Elettronica Industriale S.p.A. to external customers.

Movies distribution revenues refer to the rental of movies to cinema operators throughout Italy by Medusa Film and Spain byTelecinco Cinema.

Other revenues mainly includes royalties relating to merchandising, income from telephone traffic originating from the interaction with various TV productions on the Mediaset and Mediaset España networks, and the sale of multimedia content and services to telephone service providers.

The breakdown of these revenues is provided below, highlighting the main types at a consolidated level; providing a breakdown of their nature is not considered to be relevant for the two operating segments given the location of the group's activities in the same macro-economic area (South Europe). The breakdown between advertising revenues and other revenues, which is more useful for understanding the business trend in the two areas of Italy and Spain, is however reported in the Directors' Report on Operations.

	2023	2022
TV advertising revenues	2,299.4	2,284.9
Other advertising revenues	260.5	238.8
Sales of TV rights and productions	97.9	107.7
Pay streaming service	34.2	36.5
Construction, rental and maintenance of TV equipment	23.2	42.1
Movie distribution revenues	24.0	17.1
Other revenues	45.6	43.3
Total	**2,785.0**	**2,770.4**

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 broadcasters 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-season agreement commencing in 2021-2022.

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 to 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 decreased due to the lower revenues generated from content sales.

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

Movie distribution revenues increased during the year, stemming from the consolidation of the post-pandemic resumption of distribution activities.

Revenue breakdown by geographical area

Below is a breakdown of revenues by geographical area, according to the customer's country of residence:

	2023	2022
Italy	1,891.6	1,850.5
Spain	778.0	783.8
EU countries	34.3	44.7
North America	12.1	28.7
Other countries	69.0	62.8
Total	**2,785.0**	**2,770.4**

Concentration of revenues

None of the revenues generated from individual customers amounts to or exceeds 10% of the net consolidated revenues.

6.2 OTHER INCOME

Other income are recognised when control is actually transferred as a result of the transfer of ownership or provision of the service. This item mainly includes non-core revenues and income, revenues from leases, property rentals and contingent assets.

Government grants (grants related to income) obtained for investments in cinema installations and productions are recognised in the financial statements when there is reasonable certainty that the company will satisfy all the conditions required to obtain them and that they will actually be received. The grants are recognised in the income statement over the same period in which the related costs are recognised.

	2023	2022
Gain from disposal of fixed asset	0.1	1.7
Income from rentals	3.3	3.0
Government grants	3.4	0.6
Other income	18.7	25.5
Total	**25.4**	**30.8**

The change in **Government grants** mainly referred to the recognition of the EUR 3.2 million tax credit for film distribution activities under Italian Law 244/2007 and following the entry into force of the Italian Ministerial Decree of 15 March 2018 implementing new cinema law No. 220/2016 of 14 November 2016.

Other income for the previous period included higher prescribed debt write-offs of EUR 3.1 million. The item mainly includes income for write off of prescribed debts and non core income related technical services.

6.3 PERSONNEL EXPENSES

Personnel expenses consist of the remuneration in cash or in kind paid to employees for the services provided (other than retirement or post employment benefits). In particular, this item comprises: Wages, salaries and productivity bonuses accrued during the year, holidays accrued and not taken by employees, one-off bonuses, social security and welfare contributions. Personnel expenses are defined by employment contracts. No actuarial assumptions are required to determine their amount. As "short-term" labour costs, these must be entirely recognised for the year to which they refer.

Medium/long-term incentive plans include share-based payments recognised pursuant to IFRS 2, as indicated in Note 14 Share-based payments.

	2023	2022
Ordinary remuneration	265.4	257.1
Overtime	11.8	12.6
Special benefits	24.0	34.6
Additional salary period (13th and 14th salary period)	36.5	36.1
Accrued and unused holiday	0.6	0.7
Total wages and salary	**338.3**	**341.2**
Social security contributions	99.5	95.4
Post-employment benefit plans	0.3	0.3
MLT incentive plans	4.7	3.2
Other personnel expenses	33.7	38.6
Total personnel expenses	**476.5**	**478.7**

MLT incentive plans includes expenses pertaining to the year 2023 for medium/long-term incentive plans awarded by the parent company in 2021, 2022 and 2023.

Other personnel expenses include leaving incentives and short-term benefits for employees (other than wages, salaries, contributions and paid leave), such as medical assistance, company cars, meal services and other free or subsidised goods and services. The item also includes compensation paid to salaried directors of Group companies, totalling EUR 5.1 million (EUR 4.9 million at 31 December 2022), of which EUR 4.5 million relating to Grupo Audiovisual Mediaset España (EUR 4.4 million at 31 December 2022). The change mainly related to provisions for restructuring plans accrued in 2022.

The following table shows the details of the **group's average workforce**, determined on a full time equivalent (FTA) 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	2023	2022
Italy	3,283	3,260
Spain	1,573	1,577
Total	**4,856**	**4,837**

6.4 PURCHASES, SERVICES AND OTHER COSTS

Costs are recognised in the income statement when they refer to goods and services used during the year.

	2023	2022
Purchases	**102.1**	**90.8**
Change in inventories of raw materials, semi-finished and finished products and increase in work in progress	**(22.6)**	**(0.9)**
Consultants, contractors and services	220.7	211.1
Making and purchases of productions	484.4	472.0
Broadcaster fees and guaranteed minimums	102.1	91.6
Advertising space and external relations	26.8	20.6
EDP Services	13.5	15.5
Research, training and travel expenses	11.4	9.4
Other services	405.6	393.0
Services	**1,264.4**	**1,213.4**
Rentals	**149.3**	**167.1**
Accruals/(Utilizations) of provisions	**2.8**	**(8.8)**
Other operating expenses	**55.4**	**57.4**
Total purchases, services, other costs	**1,551.6**	**1,518.9**

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 52.1 million (EUR 44.5 million at 31 December 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.
- - the item **Making and purchases of production** refers to direct costs related to the creation of in-house productions and for purchase of productions from third parties.
- **Other services** mainly refers to EUR 98.1 million in trade association costs for the use of intellectual property rights (EUR 95.0 million in 2022), EUR 82.6 million in costs of maintaining networks, broadcasting equipment, property and IT systems (EUR 80.5 million in 2022) EUR 36.0 million in utilities (EUR 47.1 million in 2022), EUR 72.9 million in marketing service fees and costs (EUR 66.6 million in 2022), and EUR 115.9 million in other technical service, security and transportation fees (EUR 98.0 million in 2022).

Rentals includes EUR 94.8 million in costs relating to television signal transmission and the rental of tower for the two geographical areas of business (EUR 116.9 million at 31 December 2022), EUR 11.9 million in royalties (EUR 12.6 million in 2022) and EUR 23.4 million relating to rents mainly for television studios and equipment and office space (EUR 21.2 million in 2022). The change mainly refers to the termination of contracts for television signal transmission with third party operators.

Accruals/(Utilizations) of provisions includes accruals (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 expenses.

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 GA Mediaset España in accordance with the industry sector law on funding public television.

6.5 AMORTISATION, DEPRECIATION AND IMPAIRMENTS

	2023	2022
Amortisation of TV and movie rights	396.4	411.5
Amortisation of other intangible assets	38.5	40.8
Amortisation of tangible assets	45.0	45.0
Impairments /(Reversal) of TV and movies rights	(0.4)	0.6
Impairments/(Reversal) of other intangible assets	-	22.3
Impairments/(Reversal) of receivables	0.7	3.2
Total amortisation, depreciation and impairments	**480.1**	**523.5**

For commenting on changes in amortisation, deprecation and impairments, see the explanatory notes related to Property, plant and equipment and Intangible assets below.

6.6 FINANCIAL EXPENSES

Financial expenses are recognised on an accrual basis in the income statement during the year in which they occur, by accruing interests, discounts and other financial expenses even if not paid at the reporting date, and deferring those already paid in the period but pertaining to future years.

Financial expenses include:

- interest expense on financial liabilities, measured at amortised cost;
- financial expenses for leases recognised under IFRS 16 'Leases';
- exchange differences arising from hedges of assets and liabilities denominated in foreign currencies;

	2023	2022
Interest on financial liabilities	(36.3)	(18.0)
From derivative instruments	(0.7)	-
Other financial expenses	(5.2)	(9.2)
Foreign exchange losses	(16.4)	(26.4)
Total	**(58.5)**	**(53.6)**

Interests on financial liabilities includes interest relating to financial liabilities accounted under IFRS 16 (Lease) for an amount of EUR 1.9 million (EUR 1.3 million at 31 December 2022) The change of the caption from the previous year is essentially due to the trend in interest rates to finance an average consolidated net financial debt which nevertheless remained substantially unchanged.

Other financial expenses in 2023 includes EUR 1.5 million for the time discounting of post-employment benefit plans.

6.7 FINANCIAL INCOME

Financial income is recognised on an accruals basis in the income statement for the year in which it is made.

Dividends are recognised in the accounting period in which the resolution approving their distribution is passed.

	2023	2022
Interests on financial assets	7.4	0.6
Income from derivative instruments	1.1	0.8
Other financial income	0.0	7.7
Dividends from FVTOCI investments	3.3	46.4
Foreign exchange gains	20.2	29.7
Total	**(32.1)**	**(85.2)**

Dividends from FVTOCI (Fair Value Through Other Comprehensive Income) investments refer to the dividends due to MFE by the investee ProSiebenSat1 Media SE. The change relates the lower dividends approved by the investee ProsiebenSat1 Media SE at the end of the first six months of 2023.

In the previous year, **Other financial income** had included EUR 5.1 million in proceeds received as the price adjustment relating to the sale of shares in the company Deportvillage, a financial investment held as part of the Media for Equity scheme.

Foreign exchange gains and losses include the effects of derivatives relating to the hedging of foreign currency exposure connected to commitments for the future acquisition of rights (for the component not included in the hedging relationship), and the effect of derivatives used to hedge against fluctuations in the exchange rates on items recognised in the statement of financial position (receivables and payables denominated in foreign currencies).

6.7.1 Financial Income/Expenses recognised according to IFRS 9

The table below summarises the financial income and expenses recognised in the income statement, classified by IFRS 9 category

IFRS 9 CATEGORIES AT 31 DECEMBER 2023	From interest	From changes in fair value	From equity reserve	Foreign exchange gains/losses	Net income/(costs)
Financial derivatives	-	(0.7)	1.1	1.9	2.3
Liabilities at amortised cost	(36.1)	-	-	2.0	(34.2)
Financial activities at amortized cost	4.9	-	-	-	4.9
Total IFRS 9 Category	**(31.2)**	**(0.7)**	**1.1**	**3.9**	**(26.9)**
Other financial income/(expenses)					0.5
Total financial income (expenses)					**(26.4)**

IFRS 9 CATEGORIES AT 31 DECEMBER 2022	From interest	From changes in fair value	From equity reserve	Foreign exchange gains/losses	Net income/(costs)
Financial derivatives	-	1.3	(0.5)	12.5	13.3
Liabilities at amortised cost	(18.5)	-	-	(9.2)	(27.6)
Financial activities at amortized cost	0.6	-	-	-	0.6
Total IFRS 9 Category	**(17.9)**	**1.3**	**(0.5)**	**3.3**	**(13.7)**
Other financial income/(expenses)					45.3
Total financial income (expenses)					**31.6**

Financial derivatives include net financial income and charges relating to derivatives used to hedge against the risk of fluctuating interest rates for medium/long term financial liabilities and against fluctuating exchange rates, as well as equity hedges.

Other financial income (expenses) primarily includes the effects of the time discounting of post-employment benefit plans, interest relating to the time discounting of provisions expiring after 12 months, financial expenses on leases accounted for under IFRS 16 and dividend income paid out to the MFE Group by investee ProSiebenSat.1 Media SE.

6.8 RESULT FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This item includes the portion of net result of companies accounted for by using the equity method, including any impairment or reversal, impairment of financial receivables for these investments recognised as other non-current financial assets, and gains/losses on equity investments not classified as FVTOCI instruments.

	2023	2022
Result of equity investments accounted for using the equity method	4.9	25.4
Impairment of equity investments accounted for using the equity method	(1.0)	-
Gain/(loss) from sale of equity investments	-	0.0
Total	**3.9**	**25.5**

The **Result of equity investments accounted for using the equity method** mainly include the pro-rata recognition of the net results of equity investments in associates and joint ventures. In particular:

- income of EUR 9.6 million for the equity investment in **EI Towers**
- income of EUR 2.9 million for the equity investment in **Fascino PGT S.r.l.**
- income of EUR 1.2 million for the equity investment in **Unicorn Content S.L**.
- income of EUR 1 million for the equity investment **in Tivù S.r.l.**
- income of EUR 0.9 million for the equity investment in **Produciones Mandarina S.L.**
- loss of EUR 11.3 million for the equity investment in **ProsiebenSat1 MEDIA SE** due to the Group's share of losses for the second half of the year.

Impairment on investments accounted for using the equity method referred to the effects of adjusting the value of the Group's investments in **Mediamond S.p.A.** (EUR 0.7 million) and **Dr Podcast Audio Factory Limited** (EUR 0.3 million) to the *fair value* recognised at the acquisition of control.

6.9 INCOME TAXES

Current income taxes are accrued, for each company, on the basis of the taxable income determined in accordance with current tax rates and laws currently in force, or essentially approved, at the end of the reporting period in the various countries, taking into account any applicable exemptions and tax credits due.

	2023	2022
Irap tax	6.8	5.5
Ires tax	4.0	-
Prior year tax	(0.4)	(1.0)
Substitute tax		
Tax expenses (foreign companies)	21.1	29.5
Total current tax	**31.5**	**34.0**
Accruals of deferred tax assets	(7.1)	(15.4)
Reversal from tax asset	38.1	65.8
Total deferred tax asset	**31.0**	**50.4**
Reversal from deferred tax liabilities	9.6	11.8
Deferred tax liabilities	(9.2)	(34.0)
Total deferred tax liabilities	**0.4**	**(22.3)**
Total	**62.9**	**62.2**

Current taxes comprises the IRAP taxes levied against Italian companies and the IRES taxes levied during the year against Italian companies belonging to the Group’s tax consolidation scheme following the generation of taxable income during the period (for the portion exceeding the income deducible from prior year losses)

Prior year tax mainly includes expense 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.

Deferred tax assets and liabilities mainly show the financial movements for the year 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. Deferred tax assets included utilisations of EUR 12.7 million as a result of the positive taxable income generated during the years by companies scoped into the Italian tax consolidation arrangement.

Tax expenses (foreign companies) mainly relate to the taxes for the year recorded by the companies belonging to Grupo Audiovisual Mediaset España.

The table below shows a reconciliation between the standard tax rate in force in Italy on companies taxable income for the tax years 2023 and 2022, and the effective tax rate of the Group.

	2023	2022
Current tax rate	**27.90%**	**27.90%**
IRAP tax non deductible expenses	0.81%	0.30%
Effects of companies with different tax rate	-6.41%	-6.38%
Non deductible expenses and consolidation adjustment with no tax effect	0.20%	-3.42%
Effective tax rate	**22.49%**	**18.39%**

6.10 EARNINGS/(LOSS) PER SHARE

Earnings per share are calculated by dividing the Group net profit by the weighted average of the number of outstanding shares, net of the treasury shares.

The calculation of basic and diluted earnings per share is based on the following data:

	2023	2022 (1)
Net result for the period (millions of euro)	209.2	216.9
Number of ordinary shares (excluding treasury shares)	560,224,002	438,944,241
Basic EPS	**0.37**	**0.49**
Number of ordinary shares (excluding treasury shares) for the diluted EPS computation	560,953,542	438,944,241
Diluted EPS	**0.37**	**0.49**

(1) For comparative purpose the number of ordinary shares for the 2022 has been restated following the reverse stock split that took place on 23 October 2023

Earnings per share are calculated by dividing the Group net profit 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.

If we calculate the 2022 comparative base by applying the same number of shares outstanding at 31 December 2023, both basic and diluted EPS would work out at EUR 0.39 per share.

NOTES ON MAIN ASSET ITEMS

7. NON-CURRENT ASSETS

The tables below show the changes over the last two years in the historical cost, accumulated amortisation and depreciation, impairments and the carrying amount of all main non-current assets.

7.1 PROPERTY, PLANT AND EQUIPMENT

Plant, machinery, equipment, buildings and land are recognised at purchase, production or transfer cost, including any transaction costs, any dismantling costs and direct costs necessary to make the asset available for use. These fixed assets, with the exception of land, which is not subject to depreciation, are depreciated on a straight-line basis in each financial year using depreciation rates set according to the remaining useful life of the assets.

Depreciation is calculated on a straight-line basis on the cost of the assets, net of any residual values (where significant), according to their estimated useful lives, with the following rates applied:

Type of property plan and equipment	Financial statement category	Amortisation rate
Buildings	Land and building	2% -3%
Plant and equipment	Plant and equipment	10%- 20%
Constructions and equipment	Technical and commercial equipment	5% - 16%
Office furniture and machines	Other tangible assets	8% - 20%
Motor vehicles and other means of transport	Other tangible assets	10% - 25%

The recoverable value of the above is measured based on the criteria laid down in IAS 36, described in the note below "Assessment of recoverability of goodwill and other non-current assets (Impairment test)"

Ordinary maintenance costs are recognised in full in profit and loss. Incremental maintenance costs are allocated to each asset and depreciated over its remaining useful life.

Leasehold improvements are allocated to each class of assets and depreciated at the residual life of the lease contract or the residual useful life of the type of asset improved, whichever is lower.

Whenever individual components of a complex tangible fixed asset have different useful lives, they are recognised separately in order to be depreciated according to their individual useful lives (component approach).

In particular, according to this principle, the value of land and of the buildings on it are kept separate, and only the buildings are depreciated.

Gains and losses resulting from sales or disposals of assets are calculated as the difference between the sales price and the net book value of the asset, and are posted to the income statement under Other revenues and income and Other operating costs, respectively.

ORIGINAL COST	Land and building	Plant and equipment	Technical and commercial equipment	Other tangible assets	Tangible assets in progress and advances	Owned property, plant and equipment	Property, plant and equipment - Right of use	Total
Balance at 1/1/2022	**235.0**	**715.5**	**79.5**	**121.2**	**37.1**	**1,188.2**	**137.7**	**1,325.9**
Additions	1.3	10.8	0.4	1.7	18.2	**32.4**	6.7	**39.2**
Other changes	1.7	(41.2)	(0.5)	0.2	(28.4)	**(68.1)**	(2.5)	**(70.6)**
Disposals	(1.6)	(2.0)	(0.0)	(3.0)	-	**(6.7)**	(0.7)	**(7.4)**
Balance at 31/12/2022	**236.4**	**683.1**	**79.4**	**120.1**	**26.9**	**1,145.8**	**141.3**	**1,287.1**
Additions	3.2	5.1	0.8	1.8	27.4	**38.3**	39.3	**77.6**
Other changes	(0.5)	(57.1)	3.2	0.2	(12.9)	**(67.1)**	(5.4)	**(72.5)**
Disposals	-	(5.4)	(0.0)	(2.4)	(0.1)	**(8.0)**	(1.3)	**(9.2)**
Balance at 31/12/2023	**239.0**	**625.7**	**83.4**	**119.7**	**41.3**	**1,109.0**	**173.9**	**1,283.0**

ACCUMULATED AMORTISATION AND IMPAIRMENTS	Land and building	Plant and equipment	Technical and commercial equipment	Other tangible assets	Tangible assets in progress and advances	Owned property, plant and equipment	Property, plant and equipment - Right of use	Total
Balance at 1/1/2022	**(151.2)**	**(628.4)**	**(71.4)**	**(106.4)**	**-**	**(957.4)**	**(44.2)**	**(1,001.6)**
Other changes	0.5	35.0	0.6	1.6		**37.7**	2.6	**40.2**
Disposals	0.3	2.0	0.0	3.0	-	**5.3**	0.4	**5.7**
Amortisation	(5.6)	(16.5)	(1.8)	(4.3)	-	**(28.2)**	(16.8)	**(45.0)**
(Impairments)/Reversals	-	(0.6)	(0.0)	-	(0.0)	**(0.6)**		**(0.6)**
Balance at 31/12/2022	**(156.1)**	**(608.5)**	**(72.6)**	**(106.1)**	**(0.0)**	**(943.2)**	**(58.0)**	**(1,001.3)**
Other changes	0.7	61.6	(3.1)	1.0	-	**60.1**	5.5	**65.6**
Disposals	-	5.4	0.0	2.4	-	**7.9**	1.2	**9.0**
Amortisation	(5.0)	(17.2)	(1.5)	(4.3)	-	**(28.0)**	(17.1)	**(45.2)**
Balance at 31/12/2023	**(160.4)**	**(558.7)**	**(77.2)**	**(107.0)**	**(0.0)**	**(903.3)**	**(68.4)**	**(971.8)**

CARRYING AMOUNT	Land and building	Plant and equipment	Technical and commercial equipment	Other tangible assets	Tangible assets in progress and advances	Owned property, plant and equipment	Property, plant and equipment - Right of use	Total
Balance at 1/1/2022	**83.7**	**87.0**	**8.0**	**14.8**	**37.1**	**230.7**	**93.5**	**324.2**
Additions	1.3	10.8	0.4	1.7	18.2	**32.5**	6.7	**39.2**
Other changes	2.2	(6.2)	0.2	1.8	(28.4)	**(30.4)**	-	**(30.4)**
Disposals	(1.4)	-	-	-	-	**(1.4)**	(0.2)	**(1.6)**
Amortisation	(5.6)	(16.5)	(1.8)	(4.3)	-	**(28.3)**	(16.8)	**(45.1)**
(Impairments)/Reversals	-	(0.6)	-	-		**(0.6)**	-	**(0.6)**
Balance at 31/12/2022	**80.2**	**74.5**	**6.9**	**14.0**	**26.8**	**202.5**	**83.2**	**285.7**
Additions	3.2	5.1	0.8	1.8	27.4	**38.3**	39.3	**77.6**
Other changes	0.1	4.5	0.1	1.2	(12.9)	**(7.0)**	0.1	**(6.8)**
Disposals	-	-	0.0	(0.0)	(0.1)	**(0.1)**	(0.1)	**(0.2)**
Amortisation	(5.0)	(17.2)	(1.5)	(4.3)	-	**(28.0)**	(17.1)	**(45.2)**
Balance at 31/12/2023	**78.5**	**66.8**	**6.4**	**12.7**	**41.2**	**205.7**	**105.4**	**311.2**

Additions for the period to the classes of assets forming **own property, plant and equipment**, included EUR 38.3 million in purchases for the year and EUR 5.9 million for reclassifications of payments classified as assets in progress and advances at the end of the previous year.

The main categories of additions can be summarised as follows:

- EUR 3.3 million in **Land and building** mainly due to the EUR 1.6 million purchase of a property situated on Via Lumiere in Cologno Monzese and costs relating to the restructuring of the Cologno Monzese and Rome headquarters;
- EUR 9.6 million in **Plant and equipment**, mainly relating to EUR 3.7 million in technological interventions for TV studio upgrades, EUR 1.1 million for the supply of devices and enhancement of the datacenter network, and EUR 3.1 million for digitalisation projects and the construction of the new TG5 production unit in the Rome production studios;
- EUR 0.8 million referred to **Technical and commercial equipment** and other assets, mainly relating to purchase and replacement of hardware;
- EUR 27.4 million referred to increases in **Tangible assets in progress and advances**, which mainly referred to EUR 4.4 million for the new Dalet system in Cologno for the News and Sport desk, EUR 1.6 million for the outfitting of work space as part of the "Smart Working" project at the headquarters in Cologno Monzese and EUR 6.7 million for the refurbishment of the single Full HD broadcast system.

The **decreases** for the year, mainly recognised in *"Other changes"*, mainly referred – in addition to scrapping and disposals – 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 payment of the second and final tranche of the compensation 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.

Disposals amounting to EUR 0.1 million were made during the period.

7.1.1 Right-of-use property, plant and equipment

Assets under the control of the Group through leasing contracts are classified as tangible assets in the caption *Right-of-use property, plant and equipment* at the value of the related financial liability, calculated based on the current value of future payments, discounted at the incremental borrowing rate for each contract. The payable is progressively reduced according to the repayment schedule for the amounts of principal included in the contractual instalments. The interest amount, on the other hand, is recognised in the income statement under financial expenses. The value of the asset recognised under tangible assets is depreciated on a straight-line basis according to the lease term, while also taking into account the likelihood of renewal of the agreement where an enforceable renewal option exists.

Fees for leasing contracts with a duration of 12 months or less and for contracts with a low-value underlying asset are accrued on a straight-line basis through profit or loss according to the duration of the contract.

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** mainly relate to the renewal and extension of property leases during the period. Right-of-use depreciation rates were calculated based on the established lease terms.

The item “Right-of-use property, plant and equipment“ is broken down below.

	Right-of-use property of buildings	Right-of-use of cars	**Total**
Carrying amount at 31/12/2021	**85.9**	**7.6**	**93.5**
Additions	3.6	3.0	6.7
Disposals	(0.2)	-	(0.2)
Amortisation and depreciation	(13.0)	(3.8)	(16.8)
Other changes	0.2	(0.2)	-
Balance at 31/12/2022	**76.5**	**6.6**	**83.2**
Additions	34.0	5.3	39.3
Disposals	(0.1)	(0.0)	(0.1)
Amortisation and depreciation	(13.3)	(3.8)	(17.1)
Other changes	0.4	(0.2)	0.2
Balance at 31/12/2023	**97.5**	**7.9**	**105.4**

7.2 TELEVISION AND MOVIE RIGHTS

Television broadcasting rights are amortised on a straight-line basis, starting from the time when the asset is available for use and throughout the period of its expected utilization. The recoverable amount of the above is calculated based on the criteria laid down in IAS 36, described in the paragraph below on asset impairment

For television broadcasting rights, the amortisation method provides a reasonable and reliable reflection of the relationship between the various broadcasting opportunities available, the number of screenings permitted by contract and their actual broadcast. Based on the respective business models, straight-line amortisation based on the contractually stipulated license period is generally applied for the Italian television library, whereas descending amortisation is used for the Spanish television library. This different accounting reflects the different contractual conditions and the consequent methods of exploitation of the two main countries in which the Group operates.

When, irrespective of the amortisation already recognized, all runs made available under the related television broadcasting rights contracts have been broadcasted, the carrying amount is impaired in full.

The rights for sporting events, news and entertainment programmes are amortised entirely (100%) when the event is broadcast.

TV drama series are 70% amortised during the first twelve months after their availability date, with the remaining 30% amortised during the following twelve months.

Rights available for multiple means of use, to be utilised in distribution activities, are amortised according to international accounting best practice based on the ratio between the actual revenues achieved and the estimated total overall revenues from use of the right. This estimate is periodically revised to determine the amortisation to be recognised during the year.

	ORIGINAL COST	ACCUMULATED DEPRECIATION	ACCUMULATED IMPAIRMENTS	CARRYING AMOUNT
Opening balance at 1/1/2022	**8,279.5**	**(7,258.2)**	**(176.4)**	**844.9**
Change in the consolidation area	-	-	-	-
Additions	320.2	-	-	320.2
Reclassification from tangible assets in progress	25.0	-	-	25.0
Other changes	(455.1)	426.3	28.4	(0.4)
Disposals	(7.8)	5.5	-	(2.4)
Amortisation	-	(411.5)	-	(411.5)
(Impairments)/Reversals	-	-	(0.4)	(0.4)
Closing balance at 31/12/2022	**8,161.7**	**(7,238.0)**	**(148.5)**	**775.3**
Change in the consolidation area	-	-	-	-
Additions	348.5	-	-	348.5
Reclassification from tangible assets in progress	33.5	-	-	33.5
Other changes	(407.8)	369.9	35.4	(2.5)
Disposals	(87.4)	82.3	-	(5.0)
Amortisation	-	(396.5)	-	(396.5)
(Impairments)/Reversals	-	-	(0.6)	(0.6)
Balance at 31/12/2023	**8,048.5**	**(7,182.2)**	**(113.6)**	**752.6**

Additions for 2023 totalled EUR 382.0 million (EUR 345.2 million in 2022) and consisted of EUR 348.5 million in purchases for the year (EUR 320.2 million at 31 December 2022) and EUR 33.5 million (EUR 25.0 million at 31 December 2021) in reclassification of capitalisations of advances paid to suppliers (recognised as assets in progress and advances at 31 December 2022). Italian sector investments during the year accounted for EUR 235.7

million of all purchases. The remaining EUR 112.8 million referred to purchases made by the Mediaset España Group.

Other changes included changes relating to the cancellation of contractually expired rights and residual payables and contract cancellations.

Purchases for the year include EUR 52.4 million for broadcasting rights that will be available for broadcasting by the Group after 31 December. At 31 December 2023, broadcasting rights that had yet to commence totalled approximately EUR 59.8 million (EUR 43.1 million at 31 December 2022) and mainly consisted of free-to-air and pay television rights to broadcast drama, cinema and entertainment productions.

7.3 GOODWILL

	Total
Balance at 1/1/2022	**803.2**
Additions from business combinations	1.0
Balance at 31/12/2022	**804.2**
Additions from business combinations	0.4
Balance at 31/12/2023	**804.7**

In 2023, the EUR 0.4 million in **additions** included EUR 0.3 million in goodwill recognised from the acquisition of a controlling interest in Dr Podcast, which was previously consolidated using the equity method.

At 31 December 2023, goodwill was subject to the impairment testing procedure, required annually pursuant to IAS 36, as commented below.

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

The carrying amounts of tangible and intangible fixed assets are periodically reviewed in accordance with IAS 36, which requires the assessment of the existence of any impairment loss, where indicators suggest that impairment may exist. In the case of goodwill, intangible assets with indefinite useful lives and intangible assets not available for use, impairment testing is carried out at least yearly, normally at the time of the preparation of the annual financial statements, but also at any time when there is an indication of potential impairment.

The recoverability of the carrying amounts is assessed by comparing them to the higher of their value in use in their current condition or the fair value of the assets (the price that would be received from their sale) less costs of disposal.

Value in use is measured by discounting the future cash flows expected from the use of the individual asset or the cash generating unit to which the asset belongs and from its disposal at the end of its useful life, based on the most recently approved business plans.

Fair value (less costs to sell) is measured in accordance with IFRS 13 (Fair value measurement) by quantifying the price that would be received to sell the asset or group of assets in an orderly transaction between market participants at the measurement date, taking into account any restrictions on the sale or use of the asset that such market participants would take into consideration.

This testing is carried out on the cash-generating units (CGU) to which goodwill and the other assets are allocated. The cash generating units are identified, in line with the organisational and business structures of the Group, as homogeneous aggregations that generate autonomous cash inflows from the continuous use of the assets attributable to them.

In accordance with the Group's organisational business structure at 31 December 2022 and in continuity with 2022, the CGUs are aligned with the operating segments set forth in IFRS 8 (Grupo Audiovisual Mediaset España) or with business lines that can be identified within the Italian segment ("Free-to-air Television", "Pay/SVoD series and movie rights library", "Radio" and "Other advertising sales").

In the case of impairment, the loss is charged to the income statement, first by reducing goodwill and then recognising any excess amounts, using criteria generally proportional to the value of the other assets of the CGU concerned. With the exception of goodwill, impairment can be reversed for other assets when the conditions that resulted in the impairment loss have changed. In such case, the carrying amount of the asset can be increased within the limits of the new estimated recoverable amount, but no more than the value that would have been calculated if there had been no previous impairment losses.

The following table shows the amounts and the allocation of goodwill to each CGU. The variation in this item in the last two years is shown in Note 7.3.

Of the EUR 657.7 million in goodwill allocated to the Grupo Audiovisual Mediaset España ("GAM") CGU, EUR 363.2 million was generated following the takeover of the company by the Group in 2003 and EUR 294.5 million was generated from the business combinations later carried out by the Spanish company. The carrying amount of the GAM CGU also includes assets with an indefinite useful life amounting to EUR 85.2 million, classified under "Other intangible assets" (pertaining to the value allocated to the "Cuatro" multiplex by the subsidiary Mediaset España in 2010 during the purchase price allocation process that followed the acquisition of the television operations of the Prisa Group).

CGU	31/12/2023	31/12/2022
Mediaset España	657.8	657.7
Free TV Italy	145.6	145.6
Other advertising sales	1.3	
Total Goodwill	**804.7**	**803.2**

The recoverability of the goodwill and other assets of the Group in Italy relating to the Free-to-air Television CGU (mainly consisting of television and movie broadcasting rights, and right to use television frequencies) and the Radio CGU (mainly consisting of intangibles asset with a definite useful life pertaining to the radio frequencies right of use and trade marks) have been tested on the basis of the methodology, the process and the guidelines for the five-year business plan 2024-2028 (being the input for the impairment model and thus a five year forecast period is used in the impairment models) approved by the Board of Directors of MFE on 13 March 2024, which also examined the main indicators and the external (market cap, macroeconomic indicators, trend market forecasts) and internal evidence related to these assessments as available at the reporting date of these consolidated financial statements.

Observation of impairment indicators particularly revealed that the market caps at the reporting date were lower than their consolidated carrying amounts. Meanwhile, the operational results of all tested CGUs in 2023 showed that advertising sales and results were better than the approved budget estimates.

The recoverability of the goodwill and other assets pertaining to the **Free-to-air Television CGU** and the assets pertaining to the **Radio CGU**, was tested by determining the value in use based on the discounted cash flows inferable from the business plans.

The main key assumptions of both the above mentioned CGUs business plans mainly relates to the advertising revenues trend based on market expectation and assuming a substantial stability of the market shares, the evolution of the programming costs and (for the Free-to-air Television CGU) the Tv rights investments, in the hypothesis of continuity of the current offer and editorial market positioning, taking into account the purchase commitments of tv rights, sport events and entertainment content, personnel turnover and cost of labour, inflation and energy costs projections.

These assumptions were based on management's best estimate, taking into account information available from external sources and forecasts of developments in the Group's markets as prepared by specialist observers mainly in terms of the expected performance of advertising market and the most recent economic outlooks for the explicit period, which estimate that commencing from 2024 the international geopolitical climate and the restrictive monetary policy will progressively normalise once the goal of containing inflation is achieved. The nature of the Group's business means that in both the external forecast scenarios and the main assumptions made by management in preparing the plans to test the recoverable value of the CGUs, there are no material impacts directly relating to Climate Change risks.

The recoverability of the consolidated carrying amount of the **GAM CGU** was confirmed by estimating the equity value of the CGU, based on the value in use of those operating assets realisable based on the future cash flow of the CGU's operating activities and prepared for the purposes of testing the recoverability of goodwill and of assets with an indefinite useful life as carried out when preparing the consolidated financial statements of GAM approved on 27 February 2024 and of the current value attributable to equity investments, financial assets and liabilities and net cash and cash equivalents. The key assumptions of the business plan mainly relates to the expected future trends in advertising revenues over the projection period based on external information on macroeconomic trends and the advertising market, which assumes that market shares will largely remain stable.

In relation to the current widespread increase in interest rates, the post tax discount rate (WACC) used for calculating the value in use of the Free-to-air Television CGU and Radio CGU at 31 December 2023 was determined at 8.1% compared to 7.1% of the previous year. This discount rate was obtained by updating - at the reporting date - the financial and market parameters underlying the calculation of the weighted average cost of capital after tax (cost of debt, risk free rate and market risk premium) using (beta) indicators and a financial structure (debt ratio) inferable from a panel of comparables comprising Free to air broadcasters operating in the Euro zone. The growth rate used to extrapolate the financial flows beyond the explicit periods("g-rate") was 1.9%, in line with the most recent Prometeia medium/long term inflation forecast for Italy. The same method was used to determine a post tax discount rate of 8.2% (7.2% the previous year) for testing the recoverable amount of goodwill and the other assets of GAM CGU at the consolidated level and a g-rate of 1.6% to extrapolate the cash flows beyond the explicit periods, in line with the most recent Prometeia medium/long term inflation forecast for Spain.

On this basis, the testing carried out at 31 December 2023 confirmed the recoverability of the carrying amounts (including goodwill) for GAM and the italian Free-to-air Television CGUs, with significant headroom shown over the carrying amounts, and the recoverability of Radio CGU assets, which upon the impairment testing carried out for the Annual Report 2022 was subject to impairment of EUR 21.5 million allocated to definite life intangible assets consisting of the right to use radio frequencies.

For the **Other advertising sales CGU** and for the residual carrying amount of EUR 41 million of the **Pay/SVoD series and movie rights library CGU**, no impairment indicators or evidence of potential reversal were identified as at the reporting date of the consolidated financial statements.

Specific sensitivities analysis have been performed for the CGUs for which value in use confirmed the recoverability of assets. This was done by identifying all other key variables being equal (i) precise discount rates and (ii) year-on-year reductions in EBIT margin deriving from lower advertising revenues for each of the CGUs which – with all other cash flow items left unchanged (i.e. on the prudent assumption that costs and investments will remain unchanged) – eliminate the difference between the recoverable amount and the carrying amount.

Based on these analyses, the following were determined:

- for the Free-to-air Television CGU, an equivalence between the recoverable value and the carrying amount, (i) as across all years of the plan, a lower EBIT margin deriving from advertising revenues around 1.7 percentage points less than those contained in the base management scenario (using a discount rate of 8.1%); and ii) a WACC of 9.7%, based on a g-rate of 1.9% and cash flows equal to those considered in the base scenario.

- for the Radio CGU, an equivalence between the recoverable value and the carrying amount, (i) as across all years of the plan, a lower EBIT margin deriving from advertising revenues around 1.6 percentage points less than those contained in the base management scenario (using a discount rate of 8.1%); and ii) a WACC of 8.2%, based on a g-rate of 1.9% and cash flows equal to those considered in the base scenario.

- for the GAM CGU, an equivalence between the recoverable value and the carrying amount, (i) as across all years of the plan, a lower EBIT margin deriving from advertising revenues around 8 percentage points less than those contained in the base management scenario (using a discount rate of 8.2%); and ii) a WACC of 13.8%, based on a g-rate of 1.6% and cash flows equal to those considered in the base scenario.

7.5 OTHER INTANGIBLE ASSETS

Intangible fixed assets are assets without an identifiable physically form, which are controlled by the company and able to generate future economic benefits.

These assets are recorded at purchase or production cost, including transaction costs, according to the criteria described above for property, plant and equipment.

For purchased intangible assets whose availability for use and related payments are deferred beyond ordinary periods, the purchase value and the related payable are discounted by recognising the financial expenses implicit in the original price.

Internally generated intangible assets, where relating to research costs, are recognised in the income statement during the period in which they are incurred. Development costs, which mainly relate to software, are capitalised and amortised on a straight-line basis over their estimated useful lives (three years on average), provided they can be identified, that their cost can be reliably calculated, and that the asset is likely to generate future economic benefits.

Intangible assets with definite useful lives are amortised on a straight-line basis, starting from the time when the asset is available for utilization and throughout the period of its expected usefulness. The recoverable value of such assets is assessed according to the criteria established in IAS 36, as described in the Impairment of assets explanatory note above.

Costs relating to rights for the utilization of television frequencies, to be used for setting up digital terrestrial networks acquired from third parties in accordance with applicable legislation, are amortised on a straight-line basis according to the expected duration of their use, beginning at the time the service is activated and ending 30 June 2032, based on the validity period of the definitive assignment order of right of utilization in Italy dated 28 June 2012.

The television broadcasting license of the "Cuatro multiplex" was identified in the purchase price allocation process of the Prisa's Group television operations acquisition made by Mediaset Espana in 2010 as an intangible asset with an indefinite useful life in absence of objective elements relating to the legal duration of this license; accordingly, it is not systematically amortised, but is subject to impairment testing, at least every year.

As of 1 January 2016, rights for the utilization of radio frequencies are amortised on a straight-line basis over a period of 25 years. The useful life of these rights was estimated as part of the evaluation processes for business combinations concerning the Group's radio broadcasting operations.

A remaining useful life of up to June 2035 is envisaged for the authorisation to provide audiovisual services nationwide and for the consequent automatic numbering of generalist channels, with a view to the procedures and requirements for the authorisation's renewal.

ORIGINAL COST	Patents and intellectual property rights	Trademarks	Rights/licenses of use and authorisations	Intangible assets in progress and advances	Other intangible assets	Total
Balance at 1/1/2022	**306.7**	**336.5**	**710.3**	**112.4**	**87.3**	**1,553.0**
Additions	2.2	6.1	0.1	21.0	0.4	**29.7**
Other changes	3.4	-	35.3	(62.5)	0.0	**(23.6)**
Disposals	(2.1)	-	(0.1)	-	-	**(2.2)**
Balance at 31/12/2022	**310.2**	**342.6**	**745.7**	**70.9**	**87.7**	**1,556.9**
Additions	1.9	0.1	0.1	36.8	0.5	**39.3**
Other changes	4.6	0.0	0.1	(36.8)	3.1	**(29.1)**
Disposals	(2.8)	-	(0.1)	-	-	**(2.9)**
Balance at 31/12/2023	**313.9**	**342.7**	**745.7**	**70.9**	**91.2**	**1,564.4**

ACCUMULATED AMORTISATION AND IMPAIRMENTS	Patents and intellectual property rights	Trademarks	Rights/licenses of use and authorisations	Intangible assets in progress and advances	Other intangible assets	Total
Balance at 1/1/2022	**(296.9)**	**(221.7)**	**(355.7)**	**(36.7)**	**(86.7)**	**(998.0)**
Other changes	(0.0)	0.0	0.9	-	0.0	**0.9**
Disposals	2.1	-	-	-	-	**2.1**
Amortisation	(7.9)	(10.6)	(22.0)	-	(0.4)	**(40.8)**
(Impairments)/Reversals	-	-	(21.5)	(0.3)	-	**(21.8)**
Balance at 31/12/2022	**(302.7)**	**(232.3)**	**(398.2)**	**(36.9)**	**(87.1)**	**(1,057.6)**
Other changes	(0.9)	0.0	0.1	(6.7)	0.0	**(7.5)**
Disposals	2.8	-	-	-	-	**2.8**
Amortisation	(5.5)	(10.8)	(21.2)		(0.9)	**(38.5)**
(Impairments)/Reversals	-	-	-	1.0	-	**1.0**
Balance at 31/12/2023	**(306.3)**	**(243.1)**	**(419.3)**	**(42.5)**	**(88.0)**	**(1,099.8)**

CARRYING AMOUNT	Patents and intellectual property rights	Trademarks	Rights/licenses of use and authorisations	Intangible assets in progress and advances	Other intangible assets	Total
Balance at 1/1/2022	**9.7**	**114.7**	**354.5**	**75.7**	**0.5**	**555.2**
Additions	2.2	6.1	0.1	21.0	0.4	**29.7**
Other changes	3.4	0.0	36.2	(62.5)	0.0	**(22.8)**
Disposals	-	-	(0.1)	-	-	**(0.1)**
Amortisation	(7.9)	(10.6)	(22.0)	-	(0.4)	**(40.8)**
(Impairments)/Reversals	-	-	(21.5)	(0.3)	-	**(21.8)**
Balance at 31/12/2022	**7.4**	**110.2**	**347.4**	**34.0**	**0.4**	**499.3**
Additions	1.9	0.1	0.1	36.8	0.5	**39.3**
Other changes	3.7	0.0	0.1	(43.5)	3.1	**(36.6)**
Disposals	-	-	(0.1)	-	-	**(0.1)**
Amortisation	(5.5)	(10.8)	(21.2)	-	(0.9)	**(38.5)**
(Impairments)/Reversals	-	-	-	1.0	-	**1.0**
Balance at 31/12/2023	**7.5**	**99.4**	**326.3**	**28.4**	**3.1**	**464.6**

The item **Other changes** refers for the amount of 33.5 million euros relating to the reclassification in the item Television and movie rights of advances paid to suppliers recognised as assets in progress and advances at 31 December 2022.

Additions to the item **Patents and intellectual property rights** totalled EUR 5.6 million. The figure includes EUR 3.7 million relating mainly to the purchase and upgrade of existing software, which in the previous year was recognised under Intangible assets in progress and advances.

The item **Trademarks** mainly comprises:

- The trademark of Spanish television broadcaster Cuatro for EUR 56.0 million. This asset was recognised following the allocation of the purchase price paid for the acquisition of the television business from Gruppo Prisa by Mediaset España Comunicación S.A. in 2011. The amortisation period has been determinated in 20 years.
- The trademark of the radio broadcaster Radio 105, valued for EUR 30.1 million. This asset was recognised following the final purchase price allocation of the acquisition of the radio broadcasting assets of the Finelco Group in 2016. The amortisation period has been determined in 25 years.
- The trademark of the radio broadcaster Radio Subasio, for a residual value of EUR 3.7 million, which was recognised following the final allocation of the purchase price paid for the acquisition of the radio broadcasting assets of the companies Radio Subasio and Radio Aut in 2017. The amortisation period has been estimated at 25 years from the date of acquisition.
- The Zelig trademark, acquired in 2022 for a cost of EUR 5.7 million with an amortisation period of 20 years.

Rights/Licences of use and authorisations includes EUR 104.0 million for the for the utilization of television frequencies held by the subsidiary Elettronica Industriale S.p.A., used in Italy for the operation of domestic channels using digital terrestrial technology, as well as the television broadcasting license of the Cuatro Multiplex, measured at EUR 85.0 million during the allocation of the purchase price paid by the subsidiary Mediaset España in 2010, in relation to the acquisition of Prisa Group's television operations. The recoverablity of the carrying amount of the rights for the utilization of frequencies held by Elettronica Industriale S.p.A. was confirmed in the impairment testing on the Free TV Italy CGU, as reported in Note 7.4 above. The recoverability of the carrying amount of the television broadcasting licence for the Cuatro Spanish Multiplex was confirmed in the impairment testing on the Mediaset España CGU, as also reported in Note 7.4.

The item also includes EUR 96.0 million in rights for the utilization of radio broadcasting frequencies held by MFE Group radio broadcasters (Monradio S.r.l., Radio Studio 105, Virgin Radio, Radio Monte Carlo, Radio Subasio and Radio Aut). As at 31 December 2023, the residual carrying amount of these finite-life intangible assets was measured during the non-financial assets recoverability testing carried out under IAS 36 and reported in Note 7.4.

Intangible assets in progress and advances refer mainly to advance payments made to suppliers for the acquisition of broadcasting rights, for dubbing services and for options on programme production and to the launch of production. **Additions** for the period included advances paid to broadcasting rights owners and advances paid in relation to the production of TV drama series.

7.6 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associates and joint ventures are recognised using equity method in the consolidated financial statements. At the time of acquisition, the difference between the cost of the equity investment, including any transaction costs, and the acquirer's interest in the net fair value of the assets, liabilities and identifiable contingent liabilities of the investee is accounted for according to IAS 28, with the recognition of goodwill if it is positive (included in the carrying amount of the equity investment) or of income in the consolidated income statement if it is negative. The carrying amounts of these equity investments are adjusted after initial recognition, based on the pro-rata changes in the equity of the investee based on the financial information of those companies.

When there are losses attributable to the Group that are higher than the carrying amount of the equity investment, the carrying amount is impaired and appropriate provisions or liabilities are recognised for the amount of any additional losses, but only if the investor is committed to fulfilling legal or implicit obligations towards the investee or, in any case, to cover its losses. If no further losses are identified and the investee subsequently realises gains, the investor will only recognise the amount of the gains attributable to it after these have offset the losses not recognised.

After measurement using the equity method, the carrying amount of these equity investments, also including any implicit goodwill, if the conditions established by IAS 36 apply, must be tested for impairment. In the case of impairment losses, the related cost is charged to the income statement. The original value can be reinstated in the following fiscal years if the conditions for the impairment no longer apply.

The following is a breakdown of equity investments, showing the ownership interest held and the carrying amounts of the equity investments measured by using the equity method for the two years compared.

	31/12/23		31/12/22	
	Stake %	carrying amount	Stake %	carrying amount
Associates				
EI Towers S.p.A	40.0%	367.9	40.0%	378.0
Alea Media, S.A.	40.0%	(0.3)	40.0%	0.6
Alea Yo Adicto	40.0%	0.4	0.0%	-
Alma Productora Audiovisual S.L.	30.0%	0.5	30.0%	0.5
Auditel S.p.A.	26.7%	1.1	26.7%	1.1
Dr Podcast Audio Factory Limited	-	-	30.0%	0.4
Bulldog Tv Spain S.L.	30.0%	2.0	30.0%	1.6
Fenix Media Audiovisual SL	40.0%	0.1	40.0%	-
Joko TV, S.L.	30.0%	(0.1)	0.0%	-
La Fabrica De La Tele SL	30.0%	1.8	30.0%	3.3
Producciones Mandarina S.L.	30.0%	2.8	30.0%	2.0
Studio Woow S.r.l.	49.0%	-	49.0%	0.1
Superguida Tv S.r.l.	49.0%	1.0	49.0%	1.0
Titanus Elios S.p.A.	30.0%	2.7	30.0%	2.6
Unicorn Content S.L.	30.0%	2.6	30.0%	1.9
ProSiebenSat.1 MEDIA SE	26.3% (*)	495.9		
Total		**878.3**		**393.1**
Joint ventures:				
Boing SpA	51.0%	5.9	51.0%	6.2
European Broadcaster Exchange (EBX) Ltd. (**)	25.0%	0.9	25.0%	0.8
Fascino P.G.T. S.r.l.	50.0%	20.9	50.0%	21.2
Mediamond S.p.a.	50.0%	1.7	50.0%	3.1
Tivù S.r.l.	48.2%	1.8	48.2%	1.3
Total		**31.2**		**32.6**
Final balance		**909.5**		**425.7**

(*) escluding treasury share

As reported in Note 4 above, MFE's 25.54% stake in the share capital of **ProsiebenSat1** at 30 June 2023 (26.25% net of treasury shares at 31 December 2023) was reclassified under investments in associates.

At 31 December 2023, the carrying amount of this investment includes (provisionally, in accordance with IFRS 3) a notional goodwill of EUR 165.2 million as compared to the corresponding portion of the investee's consolidated net assets at 30 June 2023. In accordance with IAS 28, the value of this goodwill may be remeasured as part of a purchase price allocation process on or before 30 June 2024, as provided for in IFRS 3, to retroactively determine the pro-rata fair value of the assets and liabilities existing at the initial date of recognition.

At 31 December 2023, the carrying amount of this investment (EUR 495.9 million or EUR 8,33 per share) was higher than its stock market value (EUR 329.3 million or EUR 5,53 per share). Management concluded that no impairment was required based on the following main considerations.

- The carrying amount of the investment was tested for recoverability by assessing the investment's equity value through an estimation of the value in use, which was in turn determinable on the basis of the most recent public records made available subsequent to the disclosure of 2023 results by the investee (MFE does not have access to the internal financial information of the investee). A discount rate (Wacc) of 11.4% and a g-rate of 1.1% (obtained by weighting the same financial parameters used and reported in P7S1's 2023 Annual Report as part of the recoverability assessments of the goodwill of the investee's various CGUs, were applied to the projections derived from these publicly available forecast models.
- As reported in P7S1's Annual Report 2023, the valuations carried out by the investee resulted in large headroom between the recoverable amounts and its carrying amount at the balance sheet date for the Entertainment P7S1's CGU.
- The share market price showed volatility during the year, also probably due to worsening macroeconomic environment as well as the strategic re-alignment by P7S1. This is not expected, also based on recent consensus and to the conglomerate discount which according to MFE is embedded in the investee market cap, to have a lasting nature. This valutation remains under the attention of management.

The carrying amounts of **other investments in associates** and **joint ventures** incorporated implicit goodwill totalling EUR 2.6 million at 31 December 2023. For other investments in associates, no specific impairment indicators have been identified.
The recoverability of the goodwill and of the other assets recognized in the consolidated statement of financial position of the **EI Towers** Group at 31 December 2023 has been confirmed through the calculation of the relative value in use determined in line with IAS 36 and based on the best estimate of prospective cash flows for the period 2024-2030 prepared by the company. The recoverable amount calculated on this basis shows a significant positive headroom with respect to the carrying amount of the goodwill and of the other assets tested.

For details on the economic effects for the year, reference should be made to Note 6.8 *Result from investments accounted for using the equity method*. The measurements have been made based on data from the financial statements and reporting packages available as at the approval date of these Consolidated Financial Statements.

The following table provides key figures from the income statement and statement of financial position for associates and joint ventures, as taken from the financial statements and reporting packages available as at the approval date of these Consolidated Financial Statements.

FY 2023	Assets	Shareholders' equity	Liabilities and minorities	Revenues	Net Result
EI Towers S.p.A. (*)	1,907.8	919.0	988.8	285.3	24.4
Alea Media S.A.	3.1	(0.8)	3.9	23.0	(0.6)
Alea Yo Adicto	1.2	0.9	0.3	4.3	0.9
Alea Lágrimas, S.L.	0.5	-	0.5	0.9	-
Alma Productora Audiovisual S.L.	2.6	1.6	1.0	5.4	0.7
Auditel S.r.l.(***)	11.9	4.3	7.6	33.4	0.2
Boing SpA	21.3	11.5	9.8	25.7	(0.7)
Bulldog Tv Spain S.L.	7.7	6.6	1.1	21.9	2.9
European Broadcaster Exchange (EBX) Ltd.(**)	4.7	3.0	1.7	4.6	0.2
Fascino P.G.T S.rl.	53.1	41.4	11.6	66.1	8.1
Fénix Media Audiovisual,S.L.	1.3	0.3	1.0	3.8	0.4
Joko TV, S.L.	6.7	(0.5)	7.2	4.0	(0.5)
LaFabrica De La Tele SL	11.3	6.1	5.2	26.6	(4.7)
Mediamond SpA	69.9	3.4	66.5	112.5	0.7
Producciones Mandarina S.L.	12.3	9.3	3.0	16.6	3.1
ProSiebenSat.1 MEDIA SE	5,904.0	1,260.0	4,644.0	3,852.0	(134.0)
Studio Woow S.r.l.	1.9	-	1.9	3.9	(0.2)
Superguida Tv S.r.l.	2.4	2.1	0.3	1.2	0.1
Titanus Elios S.p.A.	14.8	8.9	5.9	4.7	2.4
Tivù S.r.l.	6.3	3.7	2.6	11.7	2.0
Unicorn Content S.L.	16.0	8.7	7.3	31.7	3.9

(*) Consolidated figures
(**) Values expressed in pounds sterling
(***) Values as at 31/12/2022

FY 2022	Assets	Shareholders' equity	Liabilities and minorities	Revenues	Net Result
EI Towers S.p.A. (*)	1,974.5	944.1	1,030.4	298.0	35.3
Alea Media S.A.	5.1	(0.2)	5.3	12.2	0.7
Alea Silencio S.L	1.4	-	1.4	7.5	
Alma Productora Audiovisual S.L.	2.4	1.7	0.7	5.6	0.7
Auditel S.r.l.(***)	12.2	4.1	8.1	32.9	0.7
Boing SpA	23.4	12.2	11.2	27.6	(0.4)
Bulldog Tv Spain S.L.	6.2	5.2	1.0	18.2	1.5
Campanilla Films SL	0.5	-	0.5	0.9	-
Dr Podcast Audio Factory Limited (**)	0.4	0.3	0.1	0.3	(0.1)
European Broadcaster Exchange (EBX) Ltd.(**)	4.4	2.8	1.6	6.5	1.1
Fascino P.G.T S.rl. (***)	55.4	40.0	15.4	75.3	11.8
Fénix Media Audiovisual,S.L.	0.7	(0.1)	0.8	2.3	0.2
LaFabrica De La Tele SL	16.9	10.9	6.0	34.0	4.4
Mediamond SpA	79.3	4.8	74.5	119.0	1.0
Producciones Mandarina S.L.	7.9	6.6	1.3	6.2	0.4
Studio Woow S.r.l.	2.3	0.2	2.1	4.8	-
Superguida Tv S.r.l.	2.4	2.0	0.4	1.1	0.2
Titanus Elios S.p.A.	15.2	8.6	6.6	4.6	2.1
Tivù S.r.l.	7.6	2.7	4.9	11.0	1.2
Unicorn Content S.L.	8.3	6.3	2.0	29.1	2.8

(*) Consolidated figures
(**) Values expressed in pounds sterling
(***) Values as at 31/12/2021

7.7 OTHER FINANCIAL ASSETS

Equity investments other than investments in associates or joint ventures are posted to the "other financial assets" item in non-current assets, are measured pursuant to IFRS 9 and are designated to the category of financial assets measured at fair value with changes in fair value recognised through other comprehensive income without recycling to profit and loss

The risk resulting from any losses exceeding the shareholders' equity value is recognised in a specific provision to the extent that the investor is committed to fulfilling legal or implicit obligations towards the investee or, in any case, to cover its losses.

Dividends relating to equity investments are recognised in profit and loss.

This category also includes non-controlling interests acquired by the Group within "Ad4Ventures", a venture capital with the aim of making medium-term non-speculative investments in new Italian businesses with high growth potential, operating in the technology and digital field. The fair value of these investments can be determined based on special valuation models, by taking account of the prices of recent transactions on the capital of those companies or by referring to market valuation in the event of investments in listed companies.

Financial receivables included in this caption are recognised at their amortised cost, using the actual interest rate method.

	Balance at 31/12/2022	Additions	Disposals	Fair Value Adjustments/ Impairment	Other changes	**Balance at 31/12/2023**
Equity investments	519.8	77.9	-	(12.2)	(513.8)	**71.7**
Financial receivable (due over 12 months)	2.2	3.5	(0.2)	(0.6)	(0.1)	**4.9**
Other financial assets	8.6	-	-	-	-	**8.6**
Hedging derivatives	45.3	-	-	(20.0)	(16.6)	**8.6**
TOTAL	**576.0**	**81.4**	**(0.2)**	**(32.8)**	**(530.6)**	**93.9**

The **additions** in **Equity investments** for the year referred to the following: EUR 74.3 million for the acquisition of a 3.86% stake in Prosiebensat.1 Media SE by MFE-MEDIAFOREUROPE N.V. and EUR 3.6 million for the acquisition of shares falling within the AD4Venture business.

Fair value adjustments/impairments reflects the fair value measurement of the financial investments. As envisaged by IFRS 9, the Group has taken up the option to classify the relative fair value changes in a specific equity reserve without recycling to profit or loss in the future. Of this reserve, EUR 4.1 million is due to the effects of the fair value measurement, included in the Group equity Valuation reserve for the equity investment held in Prosiebensat.1 Media SE. As a result of these adjustments, the fair value of the investment held by the Group in ProsiebenSat1 Media SE at 31 December 2023 was worth EUR 42.9 million and corresponding to the 3.3% of the share capital.

Other changes refers to the reclassification of the investment Prosiebensat.1 Media SE under Investments in associates.

The change in **Hedging derivatives** refers to EUR 20.0 million as the non-current portion of the fair value of derivatives held to hedge against exchange and interest rate changes and EUR 16.6 million as the reclassification of the current portion.

7.8 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are calculated based on the temporary differences between the carrying amounts of assets and liabilities and the corresponding tas base, on the basis of the tax rates that will be in force at the time when the temporary differences will reverse. When the results are recognised directly within equity, the current taxes, the deferred taxes assets and the deferred taxes liabilities are also recognised within equity. The Group also recognises deferred tax assets on tax losses if future taxable income is expected which will allow the Group to use these amounts.

The recognition of deferred tax assets is based on the forecasts of expected taxable income for future years.

The impairment and recoverability testing of the deferred tax assets posted in the financial statements, with particular reference to the tax losses generated in the Italian consolidated tax return, took into consideration the taxable income on the basis of the five-year plans used for impairment testing for the explicit forecast period and, through extrapolation from the latter of the expected taxable income for the subsequent periods.

In the case of any changes in the carrying amount of deferred tax assets and liabilities arising from a change in tax rates or the related legislation, rules or regulations, the resulting deferred taxes are recognised in the income statement, unless they relate to items that have previously been directly recognised withi equity. Deferred tax assets and liabilities are offset when it is lawful to offset current tax assets and liabilities, and when they refer to taxes due to the same Tax Authority and the Group intends to settle the current tax assets and liabilities on a net basis.

The table below shows net position between deferred tax assets and liabilities items as reported in Statement of Financial Position.

	31/12/2023	**31/12/2022**
Accruals of deferred tax assets	327.2	357.6
Deferred tax liabilities	(84.8)	(91.3)
Net position	**242.4**	**266.3**

The deferred tax assets and liabilities reported above have been calculated based on temporary differences between the carrying amounts of assets and liabilities and their corresponding taxable base.

Deferred tax assets and liabilities are measured based on the current tax rates applicable at the time the differences will reverse.

Tax assets and liabilities arising from actuarial valuations of defined benefit plans, changes in cash flow hedge reserves and from the effects of consolidation adjustments directly recognised within equity are coherently recognised directly within equity.

The following tables show the breakdown of changes in deferred tax assets and deferred tax liabilities for the last two years.

DEFERRED TAX ASSETS	Balance at 1/1	Amounts recognised to Profit and loss	Amounts recognised to OCI	Other changes	**Balance at 31/12**
FY 2022	407.1	(50.5)	(0.2)	1.1	**357.6**
FY 2023	357.6	(31.0)	1.6	(1.0)	**327.2**

DEFERRED TAX LIABILITIES	Balance at 1/1	Amounts recognised to Profit and loss	Amounts recognised to OCI	Other changes	**Balance at 31/12**
FY 2022	(105.9)	22.3	(7.9)		**(91.3)**
FY 2023	(91.3)	(0.4)	6.9		**(84.8)**

The ***Amounts recognised to Profit and loss***, relating to *Deferred tax assets*, includes the utilisation of EUR 12.7 million as a consequence of the positive taxable income generated during the year by companies adhering to the Italian tax consolidation agreement, in addition to the accruals and releases carried out during the period for temporary differences.

Amounts recognised to OCI includes the changes in deferred tax assets and liabilities in relation to the valuation reserves for cash flow hedging derivatives, derivatives hedging the fair value of financial assets and reserves for actuarial gains and losses.

The tables below show the breakdown of the temporary differences that gave rise to the deferred tax assets and liabilities for the last two years.

	Temporary differences	Tax effect 31/12/2023	Temporary differences	Tax effect 31/12/2022
Deferred tax assets related to:				
Property, plant and equipment	9.2	2.3	15.3	3.8
Intangible fixed assets	267.0	65.9	239.5	59.1
TV and movie rights	1.7	0.6	80.0	20.3
Provision for expected credit loss	21.3	5.1	32.8	8.1
Provisions for risk and charges	43.7	11.3	57.7	15.2
Post-employment benefit plans	36.2	8.7	36.1	8.6
Inventories	5.1	1.4	2.9	0.8
Tax losses carried forward	761.1	182.7	808.6	194.1
Other temporary differences	28.6	6.9	7.6	1.6
Consolidation adjustments	151.7	42.3	165.1	46.1
Total	**1,325.7**	**327.2**	**1,445.6**	**357.6**

Deferred tax assets amount to EUR 327.2 million and include, in addition to the tax effects on the consolidation adjustments, EUR 17.0 million for temporary differences generated within the Grupo Audiovisual Mediaset España and EUR 310.2 million related to the companies adhering to the Italian tax consolidation perimeter. With regard to the latter component, EUR 181.8 million relates to the totality of IRES tax losses that can be carried forward indefinitely from the tax consolidation (EUR 757.5 million), which is down on the figure from 31 December 2022 (EUR 803.3 million), in line with the recoverability assessment estimates made at the end of the year. *Tax losses carried forward* also include the deferred tax assets from the tax losses relating to Beintoo, a company acquired in 2020 and therefore not part of the tax consolidation. It should be noted that no deferred tax assets have been recognized for the IRES tax losses carried forward (totalling to EUR 45 million) accrued by some companies prior to their acquisition by the Group and their inclusion in the Italian tax consolidation agreement.

The recognition of deferred tax assets is based on the forecasts of expected taxable income for future years. With particular reference to deferred tax assets associated with the Italian tax consolidation arrangement containing IRES tax losses that can be carried forward indefinitely, the recognisability and recoverability for the period of the value of those deferred tax assets at 31 December 2023 was tested by estimating the IRES-taxable income from the Italian tax consolidation for the future years based on the following assumptions:

- pre-tax profit/loss of Italian operations included in the tax consolidation in the 2024-2028 plans used in the context of the impairment tests based on the assumptions set forth by MFE-Mediaforeurope's Board of Directors on 13 March 2024;
- estimates of mainly tax variations, primarily relating to dividend income from subsidiaries and investees, higher tax amortisation of pay tv broadcasting rights impaired in 2018 and other tax-neutral components of profit or loss;

- extrapolation of the taxable income beyond the period covered by the business plans used for the impairment test considering hypotheses of growth and profit margins in line with the assumptions (long-term growth rate and cash flows used to determine the terminal value) adopted for impairment test purposes.

Based on this analysis, a recovery period of 10 years was determined.

	Temporary differences	Tax effect 31/12/2023	Temporary differences	Tax effect 31/12/2022
Deferred tax liabilities related to:				
Property, plant and equipment	29.8	4.2	24.6	6.2
Intangible fixed assets	257.9	66.7	238.3	62.0
Provision for expected credit loss	0.6	0.1	0.6	0.1
Post-employment benefit plans	32.5	7.8	35.8	8.6
Hedging derivatives	22.2	5.3	47.8	11.5
Other temporary differences	3.4	0.7	6.4	1.5
Consolidation adjustments	0.1	0.0	4.9	1.4
Total	**346.5**	**84.8**	**358.3**	**91.3**

Intangible assets also include the tax effects of the final allocation of the purchase price paid for the acquisition of the Finelco Group (now Radiomediaset) in 2016; of the final allocation of the purchase price paid in 2018 for the acquisition of the companies Radio Subasio S.r.l. and Radio Aut S.r.l.; and of the acquisition of RMC Italia S.p.A. in 2019.

8. CURRENT ASSETS

8.1 INVENTORIES

The inventories of raw materials, semi-finished and finished products are measured at the acquisition or production cost, including transaction charges (FIFO method), or their estimated net realisable value based on market conditions, whichever is lower. Inventories also include television broadcasting rights acquired for use periods of less than 12 months and the costs of already completed television productions, as these rights are intended to be expoited in full on their first broadcast. These inventories are stated at actual cost of purchase or production.

The item at the reporting date breaks down as follows:

	31/12/2023		
	Gross amount	Write-downs	Carrying amount
Raw and ancillary materials, consumables	0.1	-	0.1
Work in progress and semi-finished products	3.5		3.5
Finished goods and products	63.6	(5.3)	58.3
Total	**67.2**	**(5.3)**	**61.9**

	31/12/2022		
	Gross amount	Write-downs	Carrying amount
Raw and ancillary materials, consumables	0.2	-	0.2
Work in progress and semi-finished products	2.0		2.1
Finished goods and products	47.5	(3.0)	44.5
Total	**49.7**	**(3.0)**	**46.7**

- **Raw materials, ancillary materials and consumables** mainly include replacement parts for radio and television equipment.
- **Work in progress and semi-finished goods** mainly include production sets and television productions in progress.
- **Finished goods and products** mainly include television productions, attributable to R.T.I. S.p.A. totalling EUR 28.5 million (EUR 20.4 million at 31 December 2022) and to Grupo Audiovisual Mediaset España Comunicación for EUR 4.6 million (EUR 2.2 million at 31 December 2022). The increase in the impairment provision includes the addition of EUR 2.2 million during the year for episodes produced but not broadcasted.

8.2 TRADE RECEIVABLES

Receivables are posted at their fair value, which — except where customers have been granted significantly extended payment terms — is the same as the value calculated using the amortised cost method. Pursuant to IFRS 9, trade receivables are classified within the categories provided for in the "held to collect" or "hold to collect and sell" business models. Their value at year-end is adjusted to their estimated realisable value and written down in the event of impairment, with expected credit loss measured using a time horizon of 12 months in the absence of any evidence of a significant increase in credit risk. For trade receivable, the simplified approach was applied. Receivables originating in non-EMU currencies are measured at the year-end spot rates issued by the European Central Bank.

The recognition of the sale of receivables is subject to the requirements laid down by IFRS 9 regarding the derecognition of financial assets. As a result, all receivables sold to factoring companies, with or without recourse, if the latter include clauses that entail maintaining a significant exposure to the performance of the cash flows from the receivables sold, remain in the financial statements, even if they have been legally sold, with a corresponding recognition of a financial liability for the same amount. Factoring fees are classified under the item "Purchases, services, miscellaneous costs".

The item at the reporting date breaks down as follows:

	Balance at 31/12/2023	Due		Balance at 31/12/2022
	Total	Within 1 year	After 1 year	
Receivables from customers	744.5	734.1	10.4	697.6
Receivables from related parties	30.9	30.9		51.1
Total	**775.4**	**765.0**	**10.4**	**748.8**

This item includes EUR 7.5 million in receivables due from Sky Italia S.r.l., EUR 5.0 million from Telecom Italia S.p.A. for the licence to use free-to-air channels, EUR 4.3 million from Infinity Selection for teh SVOD rights license and royalties and EUR 1.0 million from Netflix Inc.

The receivables due after 1 year amount to EUR 10.4 million (EUR 18.5 million in 2022) are classified as current receivables because they are expected to be settled in normal operating cycle.

The breakdown of receivables from related parties is reported in Note 15 below (*Related-Party Transactions*).

Credit risk

The credit risk mainly originates from the advertising sales on the MFE Group's Italian and Spanish television networks.

The Group, based on a specific policy, manages the credit risk relative to the advertising sales through a comprehensive customer credit rating procedure, with an analysis of their economic and financial situations both at the time of setting the initial credit limit and through the ongoing and continuous monitoring of observance of payment terms, updating, when necessary, the previously assigned credit limit.

Based on the above-mentioned credit rating procedure and its subsequent updates, it is possible to break down customer exposure into the following three classes of risk, which represent the summary of a wider and more complex subdivision:

Low risk

Customers with a standard risk index and a financial position that adequately supports their assigned credit limit.

Medium risk

Customers who have not regularly fulfilled their contractual commitments or have current economic/financial situations that are critical compared to those relative to their original credit limit. Based on these specifications of credit positions, an impairment loss is calculated based on the percentage impact of historically observed losses.

High risk

Customers with whom there are ongoing default situations, or there is objective insolvency regarding their receivables, for which specific write-downs are made and, in some cases, recovery plans agreed, or extended payment terms which, in any case, do not exceed 12 months.

Below is a table summarising the net balances and the provision for expected credit losses divided into the above classes.

RISK CLASSES AT 31 DECEMBER 2023	Gross receivables	Past due				Total past due	Provision for expected credit loss	Net Receivables
		0-30 days	30-60 days	60-90 days	More than 90 days			
ITALIAN ADVERTISING RECEIVABLES:								
Low	416.2	21.6	6.4	1.5	9.4	38.9	0.7	415.5
Medium	34.0	6.8	0.6	0.4	4.1	11.9	0.9	33.1
High	22.3	1.7	1.0	0.7	10.3	13.7	9.8	12.5
FOREIGN ADVERTISING RECEIVABLES:								
Low	213.9	4.3	1.2	0.8	(0.0)	6.2	1.1	212.7
Medium	4.4	0.0	0.0	0.0	0.0	0.1	2.0	2.4
High	2.6	0.0	0.1	0.04	2.0	2.5	1.6	1.0
OTHER RECEIVABLES:								
TELCO operators	19.6	1.0	0.9	0.0	1.5	3.4	1.3	18.2
Movie distribution area	22.2	16.2	0.6	0.2	4.3	21.3	5.8	16.4
Other customers	34.4	9.6	0.4	0.1	3.3	13.4	1.7	32.6
RECEIVABLES FROM RELATED PARTIES:								
Low	30.9	(0.0)	-	-	-	(0.0)	-	30.9
TOTAL TRADE RECEIVABLES	**800.4**	**61.3**	**11.1**	**4.1**	**34.9**	**111.4**	**25.1**	**775.3**

RISK CLASSES AT 31 DECEMBER 2022	Gross receivables	Past due				Total past due	Provision for expected credit loss	Net Receivables
		0-30 days	30-60 days	60-90 days	More than 90 days			
ITALIAN ADVERTISING RECEIVABLES:								
Low	377.4	20.0	5.2	1.9	7.6	34.8	0.9	376.5
Medium	28.0	3.6	0.4	0.3	0.9	5.2	1.4	26.6
High	25.6	1.8	1.2	0.8	10.3	14.1	10.0	15.5
FOREIGN ADVERTISING RECEIVABLES:								
Low	215.3	6.3	0.8	0.2	1.1	8.4	3.3	212.0
Medium	8.3	0.0	0.0	0.1	0.1	0.3	0.1	8.2
High	1.9	0.0	(0.1)	-	1.3	1.3	1.3	0.5
OTHER RECEIVABLES:								
TELCO operators	15.2	0.0	0.0	0.0	1.8	1.8	1.7	13.5
Movie distribution area	19.3	12.3	1.9	4.0	1.1	19.3	6.3	13.0
Other customers	37.1	9.3	0.5	0.1	6.7	16.6	5.5	31.7
RECEIVABLES FROM RELATED PARTIES:								
Low	51.2	0.3	-	(0.0)	0.0	0.3	-	51.2
TOTAL TRADE RECEIVABLES	**779.3**	**53.8**	**10.0**	**7.3**	**30.8**	**102.0**	**30.6**	**748.8**

TELCO operators mainly comprises receivables from the sale of content activities.

Regarding the main type of trade receivables generated by the advertising business in Italy, in terms of concentration, 17.6% of revenues were made with the top 10 customers.

The changes in the provision for expected credit losses are shown below.

	Balance at 1/1	Accruals	Utilizations/Reversals	Balance at 31/12
FY 2023	30.6	2.0	(7.4)	**25.1**
FY 2022	33.3	5.7	(8.4)	**30.6**

In addition, below is a table showing a detailed analysis of other financial assets, whose maximum credit risk exposure corresponds to the carrying amount.

	31/12/23	**31/12/22**
Financial receivables	21.5	20.4
Hedging derivatives	24.9	50.4
Trade receivables	775.3	728.7
Factoring receivables	160.3	139.3
Bank and postal deposits	175.2	522.4
Total financial assets	**1,157.1**	**1,461.2**

8.3 TAX CREDITS, OTHER RECEIVABLES AND CURRENT ASSETS

8.3.1 Tax receivables

This item, amounting to EUR 28.2 million (EUR 40.9 million at 31 December 2022) includes EUR 18.2 million relating to the net position towards the tax authorities to the Group's Italian companies adhering to the Italian tax consolidation agreement (EUR 17.8 million at 31 December 2022).

In addition, this item included EUR 9.4 million (EUR 12.5 million at 31 December 2022) representing the net IRAP tax position for Group companies with respect to advances paid, and EUR 0.4 million (EUR 10.3 million at 31 December 2022) for the tax credits of the subsidiary Mediaset España S.A..

8.3.2 Other receivables and current assets

	31/12/2023	31/12/2022
Other receivables	211.1	189.7
Prepayments and accrued income	54.5	54.2
Total	**265.6**	**243.9**

Other receivables mainly include:

- **advances** totalling EUR 17.5 million to suppliers, contractors and agents, paid to advertising professionals and suppliers, and to suppliers, artists and professionals involved in television productions (EUR 13.1 million at 31 December 2022).
- EUR 29.9 million in **receivables from tax authorities** (EUR 30.9 million at 31 December 2022):
- **Receivables** totalling EUR 159.8 million due from **factoring companies** for the transfer of trade receivables without recourse, for which settlement by the factor, not occurred at the reporting date, had been collected in the first part of 2023 based on contractual terms. During the year the amount of receivables transferred to factoring companies with a non-recourse clause total of EUR 1,085.0 million (EUR 1,014.4 million at 31 December 2022).

Prepayments and accrued income, of which EUR 6.0 million from Grupo Audiovisual Mediaset España Comunicación S.A., mainly refers (EUR 14.6 million) to the already-incurred costs pertaining to the next fiscal year for the rights to broadcast **Coppa Italia matches in the 2023/24 season** as paid to Lega Nazionale Professionisti Serie A, and some matches from the **2023/24 UEFA Champions League** (EUR 14.7 million).

8.4 CURRENT FINANCIAL ASSETS

Financial assets are recognised in the financial statements based on their transaction date and they are initially measured at cost, including the expenses directly connected with their acquisition.

At subsequent reporting dates, the financial assets (except for derivative financial instruments) are recognised at amortised cost, according to the actual interest rate method, net of impairment losses.

Financial assets not classed with the categories provided for in the "hold to collect" or "hold to collect and sell" business models are measured at fair value in each accounting period with their impacts recognised in profit and loss under the item "Financial (Expenses)/Income" or to a specific shareholders' equity reserve and until they are realised or have suffered an impairment (this reserve is classified under "Valuation reserve").

The fair value of securities listed on an active market is based on market prices at the reporting date.

The fair value of securities that are not listed on an active market and of trading derivatives is calculated by using the measurement models and techniques most widely adopted in the market, or by using the price supplied by several independent counterparts.

	31/12/2023	31/12/2022
Financial receivables (due within 12 months)	8.1	9.6
Financial assets for other hedging derivatives	16.3	21.4
Financial assets for equity hedging derivatives	14.5	2.8
Financial assets for derivatives with no hedging purpose	-	0.3
Total	**38.8**	**34.1**

Current financial receivables maturing within 12 months mainly include EUR 2.3 million (EUR 2.7 million at 31 December 2022) for government grants for movie productions made by Medusa Film S.p.A., which had been approved but not paid at the reporting date; EUR 0.9 million (EUR 1.8 million at 31 December 2022) for cash pooling accounts managed by MFE-MEDIAFOREUROPE N.V. on behalf of associates and joint ventures; as well as EUR 2.4 million in receivables due from the company Alea Media and EUR 0.8 million due from Fenix Media Audiovisual S.L.

Financial assets for other hedging derivatives consisted exclusively of the 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 assets for equity hedging derivatives relates to the current portion of the fair value of the put options agreed for the hedging of fair value changes in the equity investment held in Prosiebensat.1 Media SE.

8.5 CASH AND CASH EQUIVALENTS

This item includes petty cash, bank current accounts and deposits that are repayable on demand and other short-term and highly liquid financial investments that are readily convertible into cash, with an insignificant risk of a change in value.

Below is a breakdown of the item:

	31/12/2023	31/12/2022
Current accounts and demand deposits	175.2	522.4
Cash in hand	0.1	0.1
Total	**175.3**	**522.5**

Of the total amount, EUR 71.5 million referred to Grupo Audiovisual Mediaset España.S.A.U.

A more detailed breakdown of changes in cash and cash equivalents is reported in the *consolidated statement* of cash flow.

NOTES ON MAIN SHAREHOLDERS' EQUITY AND LIABILITIES ITEMS

9. SHARE CAPITAL AND RESERVES

9.1 SHARE CAPITAL

At 31 December 2023, the fully subscribed share capital was EUR 161.7 million. The change on the previous year relates to:

- EUR 13.3 million for the increase in share capital on 3 May 2023, following the issue of 220,934,896 new MFE A-class ordinary shares each with a par value of EUR 0.06, which were allocated in a share deal with the former shareholders of Mediaset España Comunicación SA in accordance with the merger plan;
- EUR 5.3 million for the reduction in share capital due to the cancellation of MFE A-class treasury shares in portfolio;
- and EUR 646.6 million for the reduction in share capital carried out on 23 October 2023, offset by an increase in the share premium reserve as part of the reverse split process.

As a result of these changes, share is formed by 331,702,599 MFE A-class shares each with a par value of EUR 0.06 and carrying 1 voting right per share, and 236,245,512 ordinary B-class shares each with a par value of EUR 0.60 and carrying 10 voting rights per share.. Both share classes grant their holders the same property rights, the same economic treatment and - except for voting - equal administrative rights.

Both classes of share are listed on Euronext Milan (EXM), a stock market organised and managed by Borsa Italiana S.p.A. Since 14 June 2023, MFE A-class shares are also traded 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).

9.2 SHARE PREMIUM RESERVE

At 31 December 2023, the **Share premium reserve** amounted to EUR 1,149.6 million. The EUR 725.6 million change during the year includes EUR 646.6 million for the reverse split of ordinary A-class and B-class shares and EUR 79.0 million as the difference between the fair value attributed to each new MFE A-class share issued in the context of the share capital increase of 3 May 2023 following the merger with Mediaset España Communicacion S.A. and the par value attributed to each new share.

9.3 TREASURY SHARES

Treasury shares are recognised at cost and recorded as a reduction of shareholders' equity.

This item includes the B-Class Shares of MFE-MEDIAFOREUROPE N.V. that were purchased pursuant to resolutions of ordinary shareholders' meetings of 16 April 2003, 27 April 2004, 29 April 2005, 20 April 2006 and 19 April 2007, and the A-Class Shares acquired during 2022 by resolution of the ordinary shareholders' meeting of 29 June 2022.

On 23 October 2023, MFE - MEDIAFOREUROPE NV, in implementation of the resolution passed at the Shareholders' Meeting of 7 June 2023, effected a reverse split of A-class ordinary shares and B-class ordinary shares such that 5 Ordinary Shares were reverse split into 1 new Ordinary Share.

At 31 December 2023, the carrying amount of treasury shares in the portfolio totalled EUR 358.0 million, equivalent to 7,724,109 MFE B-class shares.

The changes for the period by share class are shown below.

	FY 2023		FY 2022	
	A-class shares*	Carrying amount	A-class shares	Carrying amount
Opening balance	88,707,693	32.6		-
Additions	-	-	88,707,693	32.6
Disposals	(88,707,693)	(32.6)		
Final balance	**-**	**-**	**88,707,693**	**32.6**

*The cancellation of A-class treasury shares occurred on 2 May 2023, prior to the reverse stock split of 23 October 2023.

	FY 2023		FY 2022	
	B-class shares	Carrying amount	Number of shares	Carrying amount
Opening balance	38,627,313	358.1	40,398,915	374.5
Additions before reverse stock split	-	-	-	-
Disposals before reverse stock split	(2,653)	(0.0)	-	-
Additions (Disposals) due to reverse stock split	(30,899,728)	-	-	-
Additions	-	-	-	-
Disposals	(823)	(0.0)	(1,771,602)	(16.4)
Final balance	**7,724,109**	**358.1**	**38,627,313**	**358.1**

Disposals of A-class shares during the year refers to the cancellation of treasury shares held in portfolio in implementation of the resolution of the MFE's shareholder meeting of 15 March 2023 in relation to the cross-border merger by incorporation of Mediaset España Comunicación into MFE.

Disposals of B-class shares during the year refers to the reduction in shares due to the reverse stock split in a ratio of 5 shares to 1 that occurred on 23 October 2023, as well as the assignment of shares to a former shareholder of Videotime SpA, a company that was merged by incorporation into Mediaset S.p.A. (now MFE-MEDIAFOREUROPE NV) on 1 March 2018 pursuant to the merger plan.

9.4 REVALUATION RESERVES

The Revaluation reserve for investments measured at FVTOCI (fair value through other comprehensive income) consists of the fair value measurement of equity investments included in the caption Other financial assets in non-current assets and classified as "FVTOCI financial assets", as provided for in IFRS 9. This valuation is entered with changes recognised in the other items of the comprehensive income statement without recycling to profit and loss.

The Revaluation reserve for cash flow hedges is connected with valuations of derivative instruments designated as hedges against the foreign exchange risk associated with the acquisition of television and movie broadcasting rights in foreign currencies, or as hedges against the interest rate risk associated with medium and long-term financial liabilities. This valuation is entered with changes recognised in other comprehensive income, within the items that may be subsequently reclassified to profit and loss.

The Time value reserve and Options intrinsic value reserve were created for measuring instruments hedging the fair value of equity derivatives; they provide - in line with the rules for the hedged item - that changes in other items of the comprehensive income statement should be recognised without reversal to the income statement.

	31/12/2023	31/12/2022
Revaluation reserve for investments measured at FVTOCI	(60.2)	(230.1)
Revaluation reserve for cash flow hedges	16.9	36.3
Options time value reserve	(7.9)	(59.7)
Options intrinsic value reserve	13.0	5.1
Total	**38.2**	**248.4**

The table below shows the changes in these reserves over the year for equity attributable to shareholders of the parent company.

	Revaluation reserve for investments measured at FVTOCI	Revaluation reserve for cash flow hedges	Options time value reserve	Options intrinsic value reserve	**Total Valuation reserve**
Balance at 31/12/2022	**(230.1)**	**36.3**	**(59.7)**	**5.1**	**(248.4)**
Increase/(decrease)	-	(1.0)	-	-	(1.0)
Reclassification to profit or loss	-	1.1	-	-	1.1
Basis adjustment	-	(5.1)	3.4	2.1	0.4
Fair value changes	(18.1)	(20.5)	5.6	5.8	(27.3)
Deferred tax effects	1.6	6.1	(1.6)	-	6.2
Other changes	186.5	-	44.3	-	230.8
Balance at 31/12/2023	**(60.2)**	**16.9**	**(7.9)**	**13.0**	**(38.2)**

Basis adjustment refers to the reclassification and integration of the cost for ProsiebenSat1 shares measured with the equity method following the settlement of the derivate financial instruments hedging the further acquisition of shares.

Other changes – relating mainly to the items FVTOCI equity investments and Options time value reserve – refers to the reclassification to Retained Earnings and Other Reserves of the cumulative fair value differences due to the Prosieben investment being reclassified under equity investments in associates and joint ventures.

9.5 RETAINED EARNINGS AND OTHER RESERVES

The **Reserve from equity investments accounted for using the equity method** refers to the components directly recognised equity by associates and joint ventures accounted for by using the equity method

The **Consolidation reserve** refers to the effects of the business combination under common control of Medusa S.p.A. acquired in 2007.

The **Reserve for transaction with non-controlling interest** refers to the differences between the considerations paid or received for the purchase or sale of minority shares held in subsidiaries with respect to the corresponding portion of their accounting net equity.

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 for the allocation of MFE A-class and B-class shares.

The **Reserve for actuarial gains/(losses)** consists of components arising from the actuarial valuation of defined benefit plans, recognised directly through shareholders' equity. This valuation is entered with changes recognised in the other items of the comprehensive income statement without recycling to profit and loss.

	31/12/2023	31/12/2022
Reserve from equity investments accounted for using the equity method	(12.7)	(6.3)
Consolidation reserve	(79.0)	(79.0)
Reserves for transaction with non-controlling interest	249.7	183.2
Stock option and incentive plans reserve	9.8	4.6
Reserve from actuarial gains/(losses)	(29.9)	(28.6)
Retained earnings	1,607.1	1,791.9
Total	**1,744.8**	**1,865.7**

	31/12/2022	Increase/decrease	Tax effect	Reclassification	31/12/2023
Reserve from equity investments accounted for using the equity method	(6.2)	(6.5)	-	-	(12.7)
Consolidation reserve	(79.0)	-	-	-	(79.0)
Reserves for transaction with non-controlling interest	183.2	66.5	-	-	249.7
Stock option and incentive plans reserve	4.6	4.7	-	0.4	9.8
Reserve for actuarial gains/(losses)	(28.6)	(1.7)	0.4	-	(29.9)
Retained earnings	1,791.9	73.9	-	(258.7)	1,607.4
Retained earnings and other reserves	**1,865.7**	**136.9**	**0.4**	**(258.2)**	**1,744.8**

The change for the period in **Reserve from equity investments accounted for using the equity method** refers, in the context of investments measures using the equity method, to the pro-quota part of the components directly recognised in the net shareholders' equity of 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 minority shares in Mediaset España as part of the Transactions related to the completion of the merger by incorporation of the company into MFE.

The change in the **Stock option and incentive plans reserve** consisted to the effect of the costs accrued, measured in accordance with IFRS 2, relating to medium-long term incentive plans adopted by MFE-MEDIAFOREUROPE N.V. The EUR 4.7 million change for the period relates to increases in the costs accruing under incentive plans issued by the Group in the 2021, 2022 and 2023 fiscal years.

The change in **Retained earnings** is primarily due to the recognition of the previous year's profits of EUR 216.9 million and the distribution of EUR 140.1 million in dividends, which were paid out on 26 July by resolution of the Shareholders' general meeting dated 7 June 2023, as well as EUR 3.0 million in costs borne by the Group during the year for the voluntary purchase and exchange offer over the non-controlling interest in the subsidiary Mediaset España.

10. NON-CURRENT LIABILITIES

10.1 POST-EMPLOYMENT BENEFITS PLANS

Employee benefits

Post-employment benefit plans

The Employee Leaving Indemnity (ELI), which is obligatory for Italian companies pursuant to article 2120 of the Italian Civil Code, is a type of deferred remuneration and is related to the length of the working lives of the employees and the remuneration received.

As a result of the Supplementary Pension Reform, amounts of ELI accrued up to 31 December 2006 will continue to remain within the company as a defined benefit plan (with the obligation of actuarial valuation of the accrued benefits). Amounts accruing from 1 January 2007 (except for employees in companies with less than 50 employees), according to the choice made by the employees, are either allocated to supplementary pension funds or transferred by the Company to the treasury fund managed by the Italian National Social Security Institute (INPS) and, from the time when the employees make their choice, shall constitute defined contribution plans no longer subject to actuarial valuation.

Employee benefits, which by Italian law are classified as leaving entitlements (TFR), are considered by IAS 19 to be post-employment benefits and must be recognised in the financial statements using actuarial valuations.

For the benefits subject to actuarial valuation, the ELI liability must be calculated by projecting forward the already accrued amount up to the future date of dissolution of the employment relationship and then discounting the amount to its present value, at the reporting date, using the actuarial "Projected Unit Credit Method". The discount rate used to determine the liability is the "Composite" interest rate curve for securities issued by corporate issuers with an AA rating.

From an accounting perspective, the actuarial valuation results in recognition in profit and loss under the item "Financial Expenses/Income", which represents the theoretical charge that the Company would incur if it requested a market loan for the amount of the ELI, and a current service cost under the item "Personnel expenses", which establishes the amount of the benefits accrued by the employees during the financial year, but only for companies of the Group with less than 50 employees that, consequently, have not transferred the amounts accrued from 1 January 2007 to supplementary pension schemes. The actuarial gains and losses that reflect the impacts from changes in the actuarial assumptions used are recognised directly in shareholders' equity without ever going through profit and loss and they are shown in the comprehensive income statement.

The valuation of the Group's obligations to its employees was carried out with the support of an independent actuarial:

- Projected estimate of the cost of employee leaving entitlements already accrued at the valuation date up to the moment at which employment contracts will terminate or the accrued amounts are paid in part as advances on entitlements.
- Discounting, at the valuation date, of the expected cash flows the Group will have pay to its employees in the future.
- Re-proportioning of the accrued benefits discounted based on length of service at the valuation date compared to the length of service expected at the hypothetical date of payment by the Group.

The valuation of employee leaving entitlements in accordance with IAS 19 was conducted specifically for the specific population of current employees, i.e. detailed calculations were made for each Group employee, without taking into account any future hires.

The actuarial valuation model is based on "technical bases" consisting of demographic, economic and financial assumptions relating to the valuation parameters.

The assumptions used are summarised below:

Demographic assumptions

Death probability	ISTAT life expectancy table broken down by age and sex, current as at 2022
Probability of leaving the Group	Retirement, resignation, termination and contract expiration percentages were taken from the observation of the company's historical data. The employee attrition probabilities used were broken down by age, sex and contractual job title (office workers, managers and executives/journalists). The actuarial valuations took account of start dates for pension benefits specified by Decree Law 201 of 6 December 2011 "Urgent Provisions for the Growth, Fairness and Consolidation of the State Budget," (converted with amendments by Law 214 of 22 December 2011) and the regulations governing adjustment of requirements to access the pension system for increases in life expectancy pursuant to Article 12 of Decree Law 78 of 31 May 2010 converted, with amendments, by Law 122 of 30 July 2010.
TFR advances	Frequencies of advances and average percentage of TFR requested in advance have been taken from the observation of historical data for each company of the Group
Supplementary pensions	Those who fully transfer their TFR to supplementary pensions release the company from TFR obligations, and thus, are not the subject of valuation. For other employees, valuations were made taking into account the decisions actually made by employees, current as at 31 December 2023.

Economic/financial assumptions

Inflation rate	With reference to inflation, reference was made to the macroeconomic overview contained in the most recent "Economy and Finance Document and Notes" as at the reporting date, using an inflation rate of 3.0% for 2024, 2.5% since 2025.
Discounting rates	The discount rate used was determined in relation to market returns on prime corporate bonds on the valuation date. In this regard, the "Composite" interest rate curve was used for securities issued by corporate issues with an AA rating in the "Investment Grade" category in the eurozone as of 31 December 2023 (source: Bloomberg).

The change in the post-employment benefits plans is as follows:

	2023	2022
Balance at 1/1	**50.5**	**59.2**
Service Cost	0.3	0.3
Actuarial (gains)/losses	1.7	(4.1)
Interest Cost	1.5	(0.2)
Indemnities paid	(4.7)	(4.8)
Other changes	-	0.1
Balance at 31/12	**49.3**	**50.5**

The table below shows a sensitivity analysis on the amount of the liabilities following the change in the main demographic and economic and financial assumptions relating to the parameters involved in the calculation.

Sensitivity analysis

Economic and financial assumptions		**DBO**	**Service cost**
Discount rate curve	+50 b.p.	48.0	0.3
	-50 b.p.	50.7	0.4
Inflation rate	+50 b.p.	50.2	0.3
	-50 b.p.	48.5	0.3

Demographic/Actuarial assumptions		**DBO**	**Service cost**
Wage increases	+50 b.p.	49.4	0.3
	-50 b.p.	49.3	0.3
Probability of termination of the employment relationship	+50%	49.4	0.3
	-50%	49.1	0.3
Change in TFR accrued	+50%	49.5	0.3
	-50%	49.2	0.3

10.2 FINANCIAL PAYABLES AND LIABILITIES

Financial payables and liabilities are recognised at amortised cost, using the actual interest rate method. Financial liabilities related to IFRS 16 debt are recognised pursuant to international accounting standard IFRS 16 - 'Leases'.

	31/12/2023	31/12/2022
Due to banks	698.1	998.0
Payables to other lenders	8.1	0.1
IFRS 16 lease financial liabilities (non current portion)	94.6	72.4
Financial liabilities for hedging derivatives on equity instruments	-	19.7
Other financial liabilities	0.3	5.4
Total	**801.1**	**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. and Mediaset España S.A. These payables are recognised in the financial statements using the amortised cost method.

A breakdown of the **change** of EUR 299.9 million for the year is provided below:

- reclassification, under Current financial payables, of EUR 128 million nominal for two credit facilities maturing in the next 12 months; of EUR 25 million current portion of a loan; and of EUR 24.4 million current portion of the loan taken out by MFE-MEDIAFOREUROPE N.V. with Credit Suisse.
- early repayment of three loans totalling EUR 218.8 million nominal;
- opening of a new EUR 100 million nominal credit facility with BPER Banca S.p.A. (maturing in May 2028);

Some loans are subject to financial covenants on a consolidated basis as shown in the table below. Net financial debt, in accordance with specific waivers obtained from the counterparties, is calculated on the basis of the IAS/IFRS Accounting Standards in force on 31 December 2018 (excluding liabilities recognised under IFRS 16), without including the payables under the loans contracted by MFE and Mediaset España with Credit Suisse for the acquisition of the equity interest in ProsiebenSat1.

The method used to calculate the covenants also applies to contracts signed during 2023.

financing counterpart	covenant	checking period	waiver acceptance date
BBVA 2019	Net Financial Position/EBITDA less than 2.25 Net Financial Position/Equity less than 2	6 months	14/07/2022
Intesa - S.Paolo 2020	Net Financial Position/EBITDA less than 2.25 (until 31 December 2023)	6 months	
BNL 2021	Net Financial Position/EBITDA less than 2.25 (up to 31 December 2023) Net Financial Position/Equity less than 2	6 months	30/03/2022
UniCredit 2022	Net Financial Position/EBITDA less than 2.25 (until 31 December 2023) Net Financial Position/Equity less than 2	6 months	30/03/2022
UniCredit 2022	Net Financial Position/EBITDA less than 2.25 (until 31 December 2023) Net Financial Position/Equity less than 2	6 months	12/05/2022
BNL 2022	Net Financial Position/EBITDA less than 2.25 (up to 31 December 2023)	6 months	03/05/2023
Club Deal 2022	Net Financial Position/EBITDA less than 2.25 (up to 31 December 2023)	6 months	30/03/2022
BNL 2023	Net Financial Position/EBITDA less than 2.25 (up to 31 December 2023)	6 months	
BPER 2023	Net Financial Position/EBITDA less than 2.25	6 months	
BPER 2023	Net Financial Position/EBITDA less than 2.25	6 months	
BPM 2023	Net Financial Position/EBITDA less than 2.25 (up to 31 December 2023)	6 months	

Please note that the figures shown in the table above are those defined by contract with each counterparty and, therefore, may not be fully aligned with the main alternative performance measures identified by the Group in the Directors' Report on Operations.

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. These parameters were met at the reporting date of these financial statements. Based on the current forecasts these parameters will also be complied with at the next testing date.

At 31 December 2023, approximately 68.2% of all approved credit facilities were committed facilities (73.5% at 31 December 2022).

In addition to the financial liabilities relating to the purchase of shares in ProsiebenSat1, at 31 December 2023 MFE had available EUR 1,196 million in total committed credit facilities lines, of which EUR 400 million unutilised and readily available. As at the approval date of these Consolidated Financial Statements, the committed credit lines available to MFE are equal to EUR 400 million, including EUR 100 million falling due within the next 12 months.

The following table shows the effective interest rates and financial charges expensed in profit or loss for loans recognised using the amortised cost method and the fair value calculated on the basis of year-end markets rates.

	IRR	Financial charges	Fair Value
Credit Suisse 29/05/2019	0.84%	0.2	27.6
Intesa - S.Paolo 30/03/2020	4.78%	6.6	151.8
UNICREDIT 19/01/2022	4.54%	4.2	100.7
CLUB DEAL 30/03/2022	5.15%	9.2	200.8
BNL 03/10/2022	5.13%	4.7	103.7
UNICREDIT 13/05/2022	4.25%	3.9	100.1
Credit Suisse Spain 12/05/2023	1.16%	-	24.1
BPER 26/05/2023	5.25%	3.0	101.5

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

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

10.3 PROVISIONS AND CONTINGENT LIABILITIES

Provisions for risks and charges are costs and charges whose existence is either certain or probable, whose amount or date of occurrence cannot be determined as at the reporting date. These provisions have been made only when there is a current obligation, resulting from past events, that can be of a legal or contractual nature, or arising from declarations or behaviour by the companies of the Group that create valid expectations in the persons concerned (implicit obligations). Provisions represent our best estimate of the amount that the enterprise would have to pay in order to settle the obligation; When they are significant, and the payment dates can be reliably estimated, the provisions are recognised at present values with the charges resulting from the passage of time posted to the income statement under the item "Financial (Expenses)/Income".

The following is a breakdown of the provisions and their changes compared to prior year:

	31/12/2023	31/12/2022
Balance at 1/1	**108.5**	**119.0**
Accruals	37.9	51.4
Utilization	(48.4)	(62.3)
Financial charges	0.1	0.1
Change in the consolidation area	0.2	0.3
Balance at 31/12	**98.4**	**108.5**
Of which:		
Within 12 months	69.1	61.6
After 12 months	29.3	46.9
Total	**98.4**	**108.5**

Risk provisions at 30 December 2023 mainly refer to legal proceedings totalling EUR 28.7 million (EUR 28.2 million at 31 December 2022), staff disputes and business restructuring plans totalling EUR 13.2 million (EUR 22.6 million at 31 December 2022) and contractual risks totalling EUR 47.9 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 8.5 million (EUR 10.2 million at 31 December 2022).

Below is an update at 31 December 2023 of the main lawsuits pending and contingent liabilities associated with them, which were also reported in the financial statements of previous years and the interim statements for the year. No new facts or circumstances were identified with regard to these lawsuits such as to require a provision to be accrued in these consolidated financial statements.

Following the segregation of assets, Grupo Audiovisual Mediaset Espana Comunicación (hereinafter GAM) has taken over all rights and obligations arising from the proceedings against the merged company Mediaset Espana Comunicacion S.A.

In reference to proceedings number 000401/2014-CR on the use by GAM 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 GAM 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.

GAM, 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.

Grupo Audiovsual Mediaset Espana Comunicación brought an extraordinary appeal against this decision in the Supreme Court, which in its ruling of 6 February 2024 (Proceedings 1610/2020) stated that "in a case such as this, in which Mediaset's conduct infringed both ITV's intellectual property right over the name ‘Pasapalabra’ by using it without authorisation and its rights to the ‘Pasapalabra’ trademark, and where the pecuniary damage complained of was the same in both cases, the award of damages to protect the intellectual property rights in which the infringer’s profits based criterion was applied should not then have been followed by an award for compensation of the same ‘damage’ to protect the rights to the trademark, even if opting to apply a different criterion (that of hypothetical royalties). The damages are already covered in the sentence from the first trial (TV format and title)."

Therefore, the Supreme Court rejected ITV’s claim by upholding the grounds argued by GAM.

For these reasons, these consolidated financial statements do not include any provision in relation to this contingency, as the Directors of GAM, also supported by the opinion of their legal advisors, estimate that the risk that this liability could definitively materialize is not probable.

On 21 February 2018, GAM (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 GAM by ordering a termination of contract. On 13 January 2020, GAM 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 GAM 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 consolidated financial statements do not include any provision for this contingency, as the Directors (supported also on the opinion of the legal advisors) consider it improbable that this liability could materialise.

11. CURRENT LIABILITIES

11.1 DUE TO BANKS

Financial payables (current and non-current) are recognised at amortised cost, using the actual interest rate method.

	31/12/2023	31/12/2022
Current portion of non current debt	204.5	259.2
Credit facilities	27.0	6.0
Total	**231.5**	**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 152.4 million nominal in credit facilities falling due within 12 months, the reclassification of the EUR 25 million nominal current portion of medium-to-long term loans and the repayment of credit facilities totalling EUR 237.5 million.

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 on the previous year is due to the increased use of this type of financing.

11.2 TRADE AND OTHER PAYABLES

Trade and other payables are measured at their nominal amount, which is usually close to their amortised cost; those originating in non-UEM currencies are translated at the year-end spot rates issued by the European Central Bank.

	Balance at 31/12/2023	Due		Balance at 31/12/2022
	Total	Within 1 year	After 1 year	
Trade and other payables	544.7	537.6	7.1	515.1
Due to related parties	57.9	57.9		76.0
Total	**602.6**	**595.5**	**7.1**	**591.1**

Trade and other payables mainly includes payables to vendors for the licensing of television and movie broadcasting rights for EUR 190.8 million (EUR 180.8 million at 31 December 2022) and payables for the purchase and production of TV programmes and amounts due to television artists and professionals for EUR 320.4 million (EUR 310.6 million at 31 December 2022).

Payables due after more than 12 months, amounting to EUR 7.1 million (EUR 6.6 million at 31 December 2022) are classified as current payables because they are expected to be settled in the normal operating cycle.

Amounts due to related parties include payables to associates, affiliates and the parent company. Details of these payables are provided in Note 15 below (Related-Party Transactions).

11.3 CURRENT TAX LIABILITIES

This item, amounting to EUR 11.8 million (EUR 11.6 million at 31 December 2022) includes payables to the tax authorities for companies not scoped into the tax consolidation arrangement, and taxes payable by foreign companies.

11.4 OTHER FINANCIAL LIABILITIES

	31/12/2023	31/12/2022
Payables to other lenders	44.1	56.0
IFRS 16 financial payables	17.4	16.4
Financial liabilities for other hedging derivatives	2.0	3.6
Financial liabilities for hedging derivatives on equity instruments	0.5	2.6
Total	**63.9**	**78.6**

Payables to other financial lenders mainly consist of payables to factoring companies totalling EUR 4.0 million (EUR 1.1 million at 31 December 2022); cash pooling with associates and joint ventures totalling EUR 39.2 million (EUR 47.3 million at 31 December 2022); loans totalling EUR 0.4 million (EUR 0.4 million at 31 December 2022) received to finance movie development, distribution and production operations.

Financial liabilities for other hedging derivatives consisted of the EUR 1.6 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 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.

11.5 OTHER CURRENT LIABILITIES

	31/12/2023	31/12/2022
Due to social security institutions	19.2	18.9
Withholding tax on employees' wages and salaries	11.5	12.5
VAT payables	28.5	12.6
Other tax payables	12.3	12.8
Advances	9.2	8.6
Other payables	93.9	90.4
Accruals and deferred income	16.7	19.0
Total	**191.4**	**174.8**

Other payables mainly comprise EUR 18.8 million for the fees concerning the use of frequencies under concession, pending the Ministry of Enterprise and Made in Italy's decree that will determine the amount of the fees for the rights to use television frequencies using digital technology, and EUR 56.0 million payable to employees.

Accruals and deferred income includes EUR 1.8 million in deferred income for right-of-use TV rights licenses.

11.6 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 each of the items reported, reference is given to the relative explanatory note.

For a breakdown of changes in the net financial position over the year, see the section on the Group's balance sheet and financial structure in the Directors' Report on Operations.

With reference to Note 11.2 above regarding the waivers obtained by MFE-MEDIAFOREUROPE N.V. from loan counterparties, the adjusted Net Financial Position is also reported for use in some indices, based on the covenants set forth in those 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 and Mediaset España for the acquisition of the equity interest in ProsiebenSat1.

		31/12/2023	31/12/2022
Cash in hand	8.5	0.1	0.1
Current accounts and demand deposits	8.5	175.2	522.4
Liquidity		**175.3**	**522.5**
Current financial assets and receivables	8.4	**7.2**	**6.9**
Credit facilities	11.1	(27.0)	(6.0)
Current portion of non current debt		(204.5)	(259.2)
Other current payables and financial liabilities	11.4	(60.9)	(66.9)
Current financial debt		**(292.5)**	**(332.0)**
Current Net Financial Position		**(110.0)**	**197.3**
Non current due to banks	10.2	(698.1)	(998.0)
Non-current financial payables and liabilities	10.2	(94.8)	(72.6)
Trade payables and other payables		-	-
Non current financial debt		**(792.8)**	**(1,070.6)**
Net Financial Indebtedness		**(902.8)**	**(873.3)**
Current portion of non current debt		52.6	-
IFRS 16 lease financial liabilities (current portion)		17.4	16.4
Due to banks (non-current)		-	52.4
Non-current financial payables and liabilities (IFRS 16 liabilities)		94.6	72.4
Net financial position (excluding IFRS 16 liabilities and ProSieben acquisition debt)		**(738.2)**	**(732.1)**

Below is a breakdown of certain Financial Position items; please refer as required to individual financial statement items for comments on the main changes in figures.

Current financial assets and receivables includes EUR 7.2 million for the financial receivables indicated in note 8.4.

As indicated in note 11.4, **Other current payables and financial liabilities** includes payables to factoring companies, cash pooling arrangements with associates and joint venture and loans received to finance movie development, distribution and production operations, and the EUR 17.4 million current portion of the leases liabilities recognised in accordance with IFRS 16.

Current amounts of non-current financial debt includes the EUR 204.5 million current portion of medium/long-term bank loans.

As indicated in note 10.2, **Non-current financial payables and liabilities** includes the EUR 94.6 million non-current portion of the payables for leases recognised in accordance with IFRS 16.

Liquidity risk

Liquidity risk is related to the difficulty of finding funds to meet financial obligations.

This may be due to the unavailability of sufficient funds to satisfy financial commitments in accordance with the established terms and due dates upon the sudden revocation of uncommitted credit lines or in the event that the Company has to settle its financial liabilities before their natural maturity.

Through careful and prudent financial management, which is reflected in the policy adopted, and the constant monitoring of the relationship between granted credit lines and their use, as well as the balance between short-term debt and medium/long term debt, the MFE Group has put in place sufficient credit lines, both in terms of quantity and quality. MFE-MEDIAFOREUROPE N.V. and Grupo Audiovisual Mediaset España Comunicaciòn operate in their respective domestic markets as well as internationally, through the use of automatic cash pooling movements used by almost all Group companies.

The management of the liquidity risk involves:

- maintaining an essential balance between the committed and uncommitted credit facilities to avoid a strain on liquidity if creditors request repayment;
- keeping the average financial exposure during the year to no more than 80% of the total value granted by the lenders;
- financial assets that can be readily available to meet any liquidity requirements.

In order to optimise the liquidity management, the Group concentrates the payment dates to almost all its suppliers at the same dates, close to the most significant cash inflows.

The table below shows the company’s financial obligations, based on the contractual expiry date and considering the worst case scenario at undiscounted values. Depending on the type of finance, it shows the nearest date when the Group may be asked to make payment and explanatory notes are provided for each class.

At 31 December 2023, “*current financial payables*” due within 3 months included EUR 6 million in credit facilities for very short term advances with a due date formally set at one year. Lastly, *current financial payables* include the interest expense on term loans due within one year.

The Group expects to meet these obligations through the realisation of its financial assets and, specifically, through the collection of receivables connected to its various commercial activities.

The difference between the carrying amounts and the total cash flows is mainly due to the calculation of interest on the contractual duration of the financial payables. In addition, for loans measured at amortised cost, interest is calculated using the nominal rate instead of the actual yield rate.

With reference to the section relating to financial derivatives, in the scenario of settlement of gross flows, the contractual exchange rate means the forward exchange rate set at the date of signing of the contract, while the year end rate means the spot rate at the reporting date.

BALANCE SHEET ITEM at 31 DECEMBER	Carrying amount	Time band					Total cash flows	Notes
		from 0 to 3 months	from 4 to 6 months	from 7 to 12 months	from 1 to 5 years	more than 5 years		
FINANCIAL LIABILITIES:								
Due to banks (non-current portion)	698.1	-	-	-	779.7		779.7	11.2
Due to banks (current portion)	231.5	37.8	134.6	60.4	-	-	232.9	12.1
Financial payables to related parties	39.2	39.2	-	-	-	-	39.2	12.4
Due to suppliers for rights	190.8	121.9	32.0	29.8	7.1	-	190.8	12.2
Due to other suppliers	354.1	351.5	2.6	-	-	-	354.1	12.2
Due to related parties	57.8	57.8	-	-	-	-	57.8	12.2
Due to factoring companies	4.0	4.0	-	-	-		4.0	12.4
Due to lessors	112.0	4.6	5.0	7.8	33.2	61.5	112.0	12.4
Other payables and	9.3	-	0.5	0.3	8.4	-	9.3	12.4
Total	**1,696.8**	**616.9**	**174.7**	**98.3**	**828.4**	**61.5**	**1,779.8**	
DERIVATIVES:								
Hedging derivatives (foreign currency - (measured at contract exchange rate)	(6.6)	121.4	-	-	49.5		170.9	8.7;9.4; 11.2;12.4
Hedging derivatives (available foreign (measured at year-end exchange rate)		(123.0)	-	-	(56.3)		(179.3)	
Hedging derivatives (interest rate risk)	(16.9)	-	-	-	-		-	8.7;9.4; 11.2;12.4
Total	**(23.6)**	**(1.6)**	**-**	**-**	**(6.8)**	**-**	**(8.4)**	

BALANCE SHEET ITEM at 31 DECEMBER 2022	Carrying amount	Time band					Total cash flows	Notes
		from 0 to 3 months	from 4 to 6 months	from 7 to 12 months	from 1 to 5 years	more than 5 years		
FINANCIAL LIABILITIES:								
Due to banks (non-current portion)	998.0	-	-	-	1,090.6		1,090.6	11.2
Due to banks (current portion)	265.2	23.1	216.0	29.3	-	-	268.4	12.1
Financial payables to related parties	47.3	47.3	-	-	-	-	47.3	12.4
Due to suppliers for rights	180.8	143.3	17.7	13.2	6.6	-	180.8	12.2
Due to other suppliers	339.3	336.7	2.6	-	-	-	339.3	12.2
Due to related parties	71.0	71.0	-	-	-	-	71.0	12.2
Due to factoring companies	1.1	1.1	-	-	-		1.1	12.4
Due to lessors	88.8	4.1	4.6	7.7	42.6	30.2	89.1	12.4
Other payables and financial liabilities	13.0	-	7.4	0.3	5.4	-	13.0	12.4
Total	**2,004.7**	**626.6**	**248.1**	**50.5**	**1,145.3**	**30.2**	**2,100.8**	
DERIVATIVES:								
Hedging derivatives (foreign currency purchases)								
(measured at contract exchange rate)	(13.7)	137.4	-	-	76.4		213.8	8.7;9.4; 11.2;12.4
Hedging derivatives (available foreign currency)								
(measured at year-end exchange rate)		-			-		-	
Hedging derivatives (interest rate risk)	(33.1)	0.0	-	-	-		0.0	8.7;9.4; 11.2;12.4
Total	**(46.8)**	**(4.8)**	**-**	**-**	**(12.8)**	**-**	**(17.6)**	

11.7 HEDGING DERIVATIVES

The Group is exposed to financial risks linked to:

- Exchange rate fluctuations, primarily in relation to the acquisition of television broadcasting rights in currencies other than the Euro and secondarily in relation to merchandise acquisitions;

- Interest rate fluctuations for long-term variable-rate loans;

- Fair value fluctuations for equity instruments.

As mentioned on the section on Accounting standards, amendments and interpretations applied from 1 January 2019, the hedge accounting provisions in IFRS 9 became applicable at the start of the year.

Financial risks and related hedging instruments

MFE has defined specific policies for the management of the Group's financial risks, aimed at reducing its exposure to exchange rate risks, interest rate risks and liquidity risks. To optimise the structure of operating costs and resources, this activity is centralised within the group parent MFE which has been entrusted with the task of collecting the information regarding the positions exposed to risk and hedging them.

MFE directly operate in its specific markets, controlling and managing financial risk for its subsidiaries. The selection of the financial counterparts focuses on those with a high credit standing while, at the same time, ensuring a limited concentration of exposures towards them.

Exchange rate hedging

The Group uses derivatives - mainly forwards - to hedge risks arising from foreign currency fluctuations both for highly probable future purchases and for payables relating to purchases already made.

For the MFE Group, the exchange risk is linked to the possibility of the currency rates changing from the time the acquisition of assets in a foreign currency has become highly probable (authorised purchase negotiations over broadcasting rights) to the moment when those assets are recorded in the financial statements; therefore, the hedging goal is to set the exchange rate of the price in euro at the approval date of the transaction (hedge accounting as set out in the IAS/IFRS). The hedging of merchandise purchase orders is treated the same way as, like with the case above, the hedging goal is to set the equivalent price of the merchandise in euro at the time the order was issued. Hedge accounting is therefore maintained, over all payables, until the payables are settled. In this case, the exchange rate hedging objective is to set the equivalent euro price of the non-euro denominated payable so as to eliminate the effects of exchange rate fluctuations and pre-determine the settlement value of the non-euro denominated payables.

Derivatives are classified under current financial assets and liabilities, and are recognised at fair value.

Fair value of the currency forwards is calculated as the present value of the difference between the notional amount measured at the forward contract rate and the notional amount measured at the fair forward rate (the end exchange rate calculated at the reporting date).

Fair value is adjusted to take account of the creditworthiness of the counterparty risk in the event of positive fair value and of the creditworthiness of MFE in the event of negative fair value. Lastly, please note that the adjustment for creditworthiness is only calculated for derivatives with maturity more than 4 months from the measurement date.

For the purposes of hedge accounting, MFE designates hedging instruments as those related to the hedging of currency exposures linked primarily to commitments for future purchases of television broadcasting rights to be made in foreign currency (forecast transactions), for which the relationship between the derivative and the hedged item, as well as the high level of probability/effectiveness connected to the actual occurrence of the hedged event is formally documented. This relationship is also documented for the hedging of non-euro payables.

The effective portion of the fair value adjustment of the derivative that has been designated and that can be qualified as a hedging instrument is recognised directly in shareholders' equity, while the ineffective part is recognised in profit and loss.

The accounting treatment of these operations is the cash flow hedge. According to this rule, the effective portion of the change in value of the derivative is recognized in a shareholders' equity reserve. In the case of hedging of commitments for rights purchases, this reserve is used to subsequently adjust the cost of the asset (basis adjustment). Cash flow hedges are also established to hedge payables denominated in foreign currencies. In this event, the hedged item (the payable in foreign currencies) is converted at the spot exchange rate on the reporting date, with the effect recognised in the income statement in accordance with the change in the spot value.

Interest rate hedging

Interest rate risk arises from adverse movements in the interest rates that are applicable to the interest flows associated with the Group's medium-to-long term financial liabilities. The derivatives used to hedge this risk include Interest Rate Swaps and Options.

The fair value of interest rate swaps is calculated based on the current value of the expected future cash flows and the fair value of collar derivatives is calculated using the Black & Scholes formula.

For the purposes of hedge accounting, MFE designates hedging instruments as those instruments for which the relationship between the derivative and the hedged item is formally documented. As required by IFRS 9, hedge accounting can be applied where an economic relationship exists between the hedged item and the hedging instrument and where the effect of the credit risk is not greater than the fluctuations in the value of the economic relationship at the time the hedge is established and during the lifetime of the hedging relationship.

Equity instrument fair value hedging

To hedge the risk of fair value changes caused by fluctuations in equity instrument market price, MFE uses put and call options (hedging instruments) which are stipulated within a fair value hedge relationship

Pursuant to accounting principle IFRS 9, paragraph 6.5.15, and in order to determine the fair value, the intrinsic value (hedge relationship) and the time value of the option (cost of hedging) are separately identified. The hedge relationship is "time period-related", whereby the time period is allocated throughout the duration of the contract.

Having chosen to recognise the fair value changes of the hedged item in the oher comprehensive income statement without recyclingl to profit or loss, the fair value changes attributable to the time value and, if appropriate, the ineffectiveness of the hedge relationship will – as for the hedged item - not classified within the income statement but through the other comprehensive income statement..

The following is a breakdown of the financial assets and liabilities relating to hedging derivatives, reported earlier in Notes 7.7 (Other Financial Assets), 8.4 (Current Financial Assets), 10.2 (Financial Liabilities and Payables) and 11.4 (Other Financial Liabilities), showing the Group's net position.

	31/12/2023	
	Assets	**Liabilities**
Foreign currency forward contracts	7.9	(2.0)
IRS contracts	16.9	-
Derivatives on equity instruments	14.5	(0.5)
Total	**39.3**	**(2.4)**

The table below shows the notional amount of derivatives designated as hedges against foreign exchange risk associated with future commitments for the acquisition of broadcasting rights and existing contracts.

	31/12/2023	31/12/2022
United States Dollars (USD)	198.5	246.1
Total	**198.5**	**246.1**

With reference to the hedging of forecast acquisitions of broadcasting rights, the derivative contracts held at 31 December 2023 were subscribed with maturities reflecting the expected time period within which these intangible assets will be formalised by contract and recognised in the financial statements. The economic effect will be reflected in the amortisation of the assets as of the commencement date of the rights.

The following table shows the time-horizon for the reference currency (US dollars), when cash flows are expected to materialize.

	within 12 months	12-24 months	after 24 months	Total
2023	136.2	32.2	30.1	198.5
2022	151.0	32.9	62.2	246.1

Exchange Rate Risk

The Group's exposure to exchange rate risk mainly stems from the acquisition of television and movie broadcasting rights in currencies other than the Euro, mainly in US dollars, carried out in their respective areas of operation by R.T.I. S.p.A. and Grupo Audiovisual Mediaset España.

In compliance with the Group's policies, the companies adopt an approach to exchange rate risk management aimed at eliminating the effect of exchange rate fluctuations while setting in advance the cost which the rights will be recognized upon acquisition.

Exchange rate risk emerges from the early stages of negotiations for entering into any contract and continues up to payment of the amount due for the acquisition of the broadcasting rights. From an accounting standpoint, from the date the derivatives contract is entered into until the date the asset is recognized, the MFE Group applies the hedge accounting methodology documenting by way of the hedging relationship, the risk hedged and the purposes of the hedging, periodically checking the hedge effectiveness.

During the period between the date on which the purchase commitments were defined and the date on which the hedged television rights were recognised, the "cash flow hedge" method is used in accordance with IFRS 9. Based on this method, the effective portion of the change in the fair value of the derivative is accounted for in a reserve in Shareholders' Equity, which is used to adjust the initial cost of the TV right in the Financial Statements (basis adjustment), generating an impact on profit and loss when the hedged item, i.e. the TV right, is amortised.

Once the Group's broadcasting right is recognized, and after the date the payable is due but before it is settled, the Group takes out a cash flow hedge in which:

- The hedged item (the payable in foreign currencies) is converted at the spot exchange rate at the reporting date, with the effect recognised in the income statement.
- Changes in the intrinsinc element of the hedging instrument are recognized in other comprehensive income and this change is then reversed to the profit or loss.

The types of derivatives mainly used are forward and option contracts. The fair value of forward contracts on currencies is determined as the discounted difference between the notional amount calculated using the contractual forward rate and the notional amount calculated using the forward exchange rate at the reporting date adjusted for creditworthiness.

The effectiveness test is intended to show the high correlation between the technical and financial characteristics of the hedged risk (maturity, amount, etc.) and those of the hedging instrument through the application of specific retrospective and prospective tests, using the dollar off-set and volatility reduction measure methods, respectively.

The expectation of future cash flows subject to hedging is shown in a specific table illustrating the changes in the cash flow hedge reserve.

Sensitivity analysis

Financial instruments exposed to EURO/USD exchange rate risk, mainly comprising payables for the acquisition of broadcasting rights and exchange rate derivatives, were the subject of a sensitivity analysis at the reporting date. The carrying amount of the financial instruments was adjusted by applying a symmetrical percentage change to the period-end exchange rate, equal to the 1-year implicit volatility of the reference currency published by Bloomberg, equal to 6.69% (8.16% for 2022).

This sensitivity analysis of the derivatives under cash flow hedge accounting had an impact on the changes in spot values posted to the Shareholders' Equity Reserve, while the change resulting from the forward points impacts the Income Statement Result, in compliance with the method defined by the hedging relationship.

The table below summarises the changes in the Net profit for the year and in the Consolidated Shareholders' Equity, deriving from the sensitivity analysis carried out net of the relevant taxes calculated on the basis of the standard tax rate in force at the reporting date:

	EUR/USD exchange rate at 31 December	change	rectified EUR/USD exchange rate	through Profit and Loss	through Equity	Total Shareholders' Equity
2023	1.105	+ 6.6975	1.179	0.2	(5.6)	(5.4)
		- 6.6975	1.031	(0.5)	6.4	5.9
2022	1.0666	8.16%	1.1957	0.5	(9.4)	(8,9)
		-8.16%	1.0695	(0.4)	11.1	10,7

Interest rate risk

The management of the financial resources of the Group involves the centralised cash-pooling with the group parent MFE-MEDIAFOREUROPE N.V. These companies are tasked with obtaining funding from the market by entering into medium/long term loans and opening committed and uncommitted credit lines.

Interest rate risk mainly originates from variable rate financial payables, which expose the Group to cash flow risk. The management objective is to limit the fluctuation of financial expenses that impact the financial result, limiting the risk of a potential rise in interest rates.

Within this context, the Group pursues its objectives using derivatives entered into with third parties aimed at setting in advance or reducing, the change in cash flows due to the market change in interest rates on medium/long-term debt. The timeframe considered significant for managing interest rate risk is defined as a minimum term of 18 months of residual duration of the operation.

From an accounting standpoint, from the date the derivatives contract is entered into until the date the asset is recognized, the MFE Group applies the hedge accounting methodology documenting by way of the hedging relationship, the risk hedged and the purposes of the hedging, periodically checking the hedge effectiveness.

Specifically, the cash flow hedge methodology set out by IFRS 9 is used. According to this method, either the absolute change in the clean fair value of derivatives - that is, the fair value less accrued interest - or the fair value of the underlying, whichever is smaller, is charged to an equity reserve. The difference between this value and the total fair value is recognized in the Income Statement at each valuation date. Both the fair value and the clean fair value are adjusted to take account of creditworthiness.

The effectiveness test is intended to show the high correlation between the technical and financial characteristics of the hedged liabilities (maturity, amount, etc.) and those of the hedging instrument through the application of specific retrospective and prospective tests, using the dollar off-set and volatility reduction measure methods, respectively.

The fair value of the interest rate swaps (IRS) is calculated based on the present value of expected future cash flows.

The expectation of future cash flows subject to hedging is shown in a specific table illustrating the changes in the cash flow hedge reserve.

The Group has collar derivatives in place to hedge variable rate medium/long term loans.

The main features about derivatives instruments regarding MFE-MEDIAFOREUROPE N.V.:

	Fixed rate	Variable rate	Floor	Validity	Maturity
Interest Rate Swap - INTESA SANPAOLO - EUR 150 million notional	-0.18%	Euribor 3M/360	-1.00%	31/03/2020	28/03/2025
Interest Rate Swap - INTESA SANPAOLO - EUR 100 million notional	1.69%	Euribor 3M/360	-1.00%	30/06/2022	28/03/2025
Interest Rate Swap - UNICREDIT - EUR 100 million notional	1.35%	Euribor 3M/360	-0.80%	30/06/2022	20/01/2025
Interest Rate Swap - UNICREDIT - EUR 30.7 million notional	1.33%	Euribor 3M/360		08/07/2022	12/07/2027
Interest Rate Swap - UNICREDIT - EUR 30.7 million notional	1.26%	Euribor 3M/360		08/07/2022	12/07/2027
Interest Rate Swap - INTESA SANPAOLO - EUR 30.7 million notional	1.33%	Euribor 3M/360	-1.00%	08/07/2022	12/07/2027
Interest Rate Swap - INTESA SANPAOLO - EUR 30.7 million notional	1.26%	Euribor 3M/360	-1.00%	08/07/2022	12/07/2027
Interest Rate Swap - BNP PARIBAS SA - EUR 30.7 million notional	1.34%	Euribor 3M/360		08/07/2022	12/07/2027
Interest Rate Swap - BNP PARIBAS SA - EUR 30.7 million notional	1.26%	Euribor 3M/360		08/07/2022	12/07/2027

Sensitivity analysis

Financial instruments exposed to interest rate risk were subjected to a sensitivity analysis at the reporting date. The assumptions upon which the model is based are illustrated below:

Medium-to-long term payables were subject to a change of 50 bps upwards and 20 bps downwards at the date of re-fixing the internal rate of return posted during the year.

Short and medium/long revolving payables and other current financial items were subject to a recalculation of the amount of financial charges by applying a change of 50 bps upwards and 20 bps downwards to the values posted to the financial statements.

The fair value of interest rate swaps (IRS) was recalculated applying a non-symmetrical shift (+100 bps; -100 bps) to the interest rate curve at the reporting date. The ineffective portion was calculated based on the fair value recalculated using the adjusted interest rate curve. It was not possible to apply a symmetrical change of 50 bps as the very short-term interest rate curve at the reporting date was negative.

The table below summarises the changes in the Profit for the year and in the Consolidated Shareholders' Equity, deriving from the sensitivity analysis carried out net of the relevant taxes calculated on the basis of the standard tax rate in force at the reporting date:

	change	through Profit and Loss	through Equity	Total Shareholders' Equity
2023	+100 b.p.	(2.1)	8.0	5.9
	-100 b.p.	2.2	(8.3)	(6.1)
2022	+100 b.p.	(0.9)	9.6	8.7
	-100 b.p.	1.6	(11.0)	(9.4)

Price Risk

Sensitivity analysis

To hedge the risk of fair value changes caused by fluctuations in the share price of ProSiebenSat.1 Media SA, MFE-MEDIAFOREUROPE N.V. entered into a collar contract (purchase of put options and sale of call options) hedging their own equity investments, aimed at containing share price fluctuations within a 90%-120% range of their initial value.

Looking at the hedges agreed by MFE-MEDIAFOEEUROPE N.V., the first effect of the hedges is to set a maximum-level gain based on the strike price of the call options sold, and the second effect is to set a minimum-level loss based on the strike price of the put options bought.

At 31 December 2023, only around half of the first tranche of options expiring in November 2024 was outstanding. The share price was EUR 5.534 and, therefore, the purchased put options with a strike price of EUR 10.17 were "in the money", with an intrinsic value of EUR 12.97 million.

However, if we imagine a price per share of EUR 14.13 (a change of +125% of the initial price), the call options sold with a strike rate of EUR 13.56 would now be "in the money" and would therefore have an intrinsic value of - EUR 1.59 million and 100% effectiveness.

With reference to hedging transactions maturing in May 2024, the intrinsic value at 31 December 2023 was nil. However, if we imagine a price per share of EUR 7.77 (a change of +125% of the initial price), the call options sold with a strike rate of EUR 7.27 would now be "in the money" and would therefore have an intrinsic value of - EUR 2.45 million and 100% effectiveness.

The changes in intrinsic value would have an impact on the shareholders' equity reserve but would not impact profit or loss.

NOTES ON MAIN CASH FLOW STATEMENT ITEMS

12. NOTES ON MAIN CASH FLOW STATEMENT ITEMS

12.1 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 and other intangible assets and television and film broadcasting rights.

12.2 CHANGE IN OTHER ASSETS AND LIABILITIES

This item includes changes in *Other receivables and current assets*, *Post-employment benefit plans, Other current liabilities* and differences realised in the financial settlement of foreign exchange hedge for the ineffective portion of the hedging relationship as well as EUR 5.0 million as the exchange difference arising from the cash settlement of exchange rate hedges for the ineffective portion of the hedge.

12.3 PROCEEDS FROM GOVERNMENT GRANTS

For the last two years, 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.

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

In 2023, this item included the cashout associated with the early closing of collar contracts entered into to hedge the equity investment in ProSiebenSat.1 Media SE.

12.5 PROCEEDS/(PAYMENTS) IN OTHER FINANCIAL ASSETS

In 2023, this item mainly referred to the following: EUR 74.3 million for the acquisition of a further 3.86% stake by MFE in Prosiebensat.1 Media SE; EUR 3.6 million for the acquisition of equity interests as part of the “AD4ventures” business.

12.6 DIVIDENDS RECEIVED

This item refers to EUR 3.3 million (EUR 34.5 million in 2022) in dividends received from Prosiebensat.1 Media SE and EUR 19.6 million (EUR 24.0 million in 2022) in dividends received from EITowers S.p,A., with the remainder referring to the dividends received from associates and joint ventures.

12.7 DIVIDENDS PAID

This item refers to the distribution of dividends of EUR 140.1 million resolved by the shareholders' meeting of 7 June 2023.

12.8 CHANGES IN CONTROLLING INTEREST

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

In the previous year, this item referred to EUR 184.2 million in disbursements under the voluntary purchase and exchange offer for the non-controlling interest in the subsidiary Mediaset España with respect to the cash portion of acquiring a 27.23% of the share capital in the subsidiary and the related transaction costs incurred by the Group for the year.

12.9 CHANGES IN FINANCIAL LIABILITIES

As required by IAS 7, the table below shows the changes in financial liabilities.

CHANGE IN FINANCIAL LIABILITIES	31/12/2022	Cash flow (*)	Fair value changes	Other non-cash movements (**)	31/12/2023
Hedging derivatives (interest rate)	(33.1)		16.2		(16.9)
Loans	259.1	(237.5)		183.0	204.6
Credit facilities	6.0	21.1			27.0
Payables to other lenders	48.8	(5.2)			43.7
Lease payables IFRS 16	88.8	(19.2)		42.4	112.0
Non-current liabilities and payables to banks	998.0	(118.8)		(181.2)	698.1
Total financial liabilities	**1,365.4**	**(359.7)**	**16.2**	**44.1**	**1,068.5**

(*) includes cash flow from interest paid

(**) includes measurement at amortised cost

CHANGE IN FINANCIAL LIABILITIES	31/12/2021	Cash flow (*)	Fair value changes	Other non-cash movements (**)	31/12/2022
Hedging derivatives (interest rate)	0.3	-	(33.4)	-	(33.1)
Loans	222.0	(218.0)	-	255.1	259.1
Credit facilities	141.0	(135.0)	-	-	6.0
Payables to other lenders	50.5	(1.7)	-	-	48.8
Lease payables IFRS 16	99.3	(21.8)	-	9.1	86.6
Non-current liabilities and payables to banks	683.3	568.0	-	(253.3)	998.0
Total financial liabilities	**1,196.4**	**191.5**	**(33.4)**	**10.8**	**1,365.4**

(*) includes cash flow from interest paid

(**) includes measurement at amortised cost

13. DISCLOSURES ON FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES

The tables below provide, separately for the two years being compared, the disclosures required by IFRS 7, for the purpose of evaluating the significance of the financial instruments with reference to the statement of financial position, cash flows statement and income statement result for the Group.

Categories of financial assets and liabilities

Below is a breakdown of the carrying amounts of the financial assets and liabilities, as required by accounting standard IFRS 7.

FINANCIAL ASSETS at 31 DECEMBER 2023	IFRS 9 CATEGORIES				
	Derivative Instruments	Financial assets at amortised cost	Financial assets FVTOCI	BOOK VALUE	Notes
OTHER FINANCIAL ASSETS:					
Equity investments			71.9	71.9	7.7
Other hedging derivatives (non current portion)	8.6			8.6	
Other financial assets		13.4		13.4	
TRADE RECEIVABLES:					
Due from customers		744.5		744.5	8.2
Due from related parties		30.8		30.8	
OTHER RECEIVABLES/CURRENT ASSETS:					
Due from factoring companies		160.3		160.3	
CURRENT FINANCIAL ASSETS:					
Financial receivables (due within 12 months)		8.1		8.1	8.4
Hedging derivatives on equity instruments	14.5			14.5	
Other hedging derivatives	16.3			16.3	
CASH AND CASH EQUIVALENTS:					
Current accounts and demand deposits		175.2		175.2	8.5
TOTAL FINANCIAL ASSETS	**39.3**	**1,132.2**	**71.9**	**1,243.5**	

FINANCIAL LIABILITIES at 31 DECEMBER 2023	Derivative Instruments	Liabilities at amortised cost	BOOK VALUE	Notes
	IFRS 9 CATEGORIES			
NON CURRENT FINANCIAL LIABILITIES AND PAYABLES:				
Due to banks		698.1	698.1	10.2
Other financial liabilities		8.4	8.4	
CURRENT LIABILITIES:				
Due to banks		231.5	231.5	11.1
Due to suppliers		544.8	544.8	11.2
Due to related parties		57.8	57.8	
OTHER FINANCIAL LIABILITIES:				
Due to factoring companies		4.0	4.0	11.4
Other financial liabilities		0.8	0.8	
Hedging derivatives on equity instruments	0.5		0.5	
Other hedging derivatives	2.0		2.0	
Financial payables to related parties		39.2	39.2	
TOTAL FINANCIAL LIABILITIES	**2.4**	**1,584.7**	**1,587.1**	

IFRS 9 CATEGORIES

FINANCIAL ASSETS at 31 DECEMBER 2022	Derivative Instruments	Financial assets at amortised cost	Financial assets FVTOCI	BOOK VALUE	Notes
OTHER FINANCIAL ASSETS:					
Equity investments			519.8	519.8	
Hedge derivatives on equity instruments	16.6			16.6	
Other hedging derivatives (non current portion)	28.6			28.6	7.7
Other financial assets		8.6		8.6	
financial receivables (due over 12 months)		2.2		2.2	
TRADE RECEIVABLES:					
Due from customers		697.5		697.5	8.2
Due from related parties		51.2		51.2	
OTHER RECEIVABLES/CURRENT ASSETS:					
Due from factoring companies		138.8		138.8	
CURRENT FINANCIAL ASSETS:					
Financial receivables (due within 12		3.2		3.2	8.4
Hedging derivatives on equity instruments	2.8			2.8	
Other hedging derivatives	21.7			21.7	
CASH AND CASH EQUIVALENTS:					
Bank and postal deposits		522.4		522.4	8.5
TOTAL FINANCIAL ASSETS	**69.8**	**1,424.0**	**519.8**	**2,013.6**	

FINANCIAL LIABILITIES at 31 DECEMBER 2022	Derivative Instruments	Liabilities at amortised cost	BOOK VALUE	Notes
	IFRS 9 CATEGORIES			
NON CURRENT FINANCIAL LIABILITIES AND PAYABLES:				
Due to banks		998.0	998.0	10.2
Hedge derivatives on equity instruments (non-current portion)	19.7		19.7	
Other hedging derivatives (non current portion)	0.0		0.0	
Other financial liabilities		5.5	5.5	
CURRENT LIABILITIES:				
Due to banks		265.2	265.2	11.1
Due to suppliers		515.0	515.0	11.2
Due to related parties		76.0	76.0	
OTHER FINANCIAL LIABILITIES:				
Due to factoring companies		1.1	1.1	11.4
Other financial liabilities		7.6	7.6	
Hedging derivatives on equity instruments	2.6		2.6	
Other hedging derivatives	3.6		3.6	
Financial payables to related parties		47.3	47.3	
TOTAL FINANCIAL LIABILITIES	**25.9**	**1,915.6**	**1,941.5**	

Fair value of financial assets and liabilities, and 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 31 DECEMBER 2023	BOOK VALUE	Mark to Market	Mark to Model			TOTAL FAIR VALUE	Notes
			Black&Scholes	Binomial model	DCF Model		
Equity investments	71.9	71.9				71.9	7.7
Trade receivables	5.2				5.1	5.1	8.4
Due to banks	(929.6)				(935.8)	(935.8)	10.2
M/L trade and other payables	(47.4)				(46.1)	(46.1)	11.2
Hedging derivatives on equity instruments							
- Put	14.5		14.5			14.5	
- Call	(0.5)		(0.5)			(0.5)	8.4;11.4
Other hedging derivatives							
-Forward	6.0				6.0	6.0	
- IRS contracts	16.9				16.9	16.9	7.7;8.4; 10.2;11.4

BALANCE SHEET ITEM at 31 DECEMBER 2022	BOOK VALUE	Mark to Market	Mark to Model			TOTAL FAIR VALUE	Notes
			Black&Scholes	Binomial model	DCF Model		
Equity investments	519.8	519.8				519.8	7.7
Trade receivables	1.7				1.6	1.6	8.4
Due to banks	(1,263.2)				(1,073.6)	(1,338.8)	10.2
M/L trade and other payables	(31.3)				(30.5)	(30.5)	11.2
Hedging derivatives on equity instruments							
- Put	(0.6)		(0.6)			(0.6)	
- Call	(2.2)		(2.2)			(2.2)	8.4;11.4
Other hedging derivatives:							
-Forward	13.7				13.7	13.7	
- IRS contracts	33.1				33.1	33.1	7.7;8.4; 10.2;11.4

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. With regard to trade payables, fair value has been adjusted 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 31 DECEMBER 2023	BOOK VALUE	level I	level II	Level III	TOTAL FAIR VALUE	Notes
Equity investments	71.9	42.9	29.0		71.9	7.7
Hedging derivatives on equity instruments						
- Put	14.5		14.5		14.5	7.7;8.4; 10.2;11.4
- Call	(0.5)		(0.5)		(0.5)	
Other hedging derivatives						
-Forward	6.0		6.0		6.0	7.7;8.4; 10.2;11.4
- IRS contracts	16.9		16.9		16.9	

BALANCE SHEET ITEM at 31 DECEMBER 2022	BOOK VALUE	level I	level II	Level III	TOTAL FAIR VALUE	Notes
Equity investments	519.8	486.5	33.3		519.8	7.7
Hedging derivatives on equity instruments						
- Put	(0.6)		(0.6)		(0.6)	7.7;8.4; 10.2;11.4
- Call	(2.2)		(2.2)		(2.2)	
Other hedging derivatives						
-Forward	13.7		13.7		13.7	7.7;8.4; 10.2;11.4
- IRS contracts	33.1		33.1		33.1	

14. SHARE-BASED PAYMENTS

In accordance with IFRS 2, the Group classifies stock option plans and medium/long-term incentive plans as "share-based payments". Those that are "equity-settled", i.e. involving the physical delivery of the shares, are measured at the fair value at the grant date of the option rights (which is calculated on the basis of the share price) assigned and recognised as a personnel expense to be spread evenly over the vesting period of the rights, with a corresponding reserve booked to shareholders' equity. This allocation is carried out based on the estimate of the rights that will actually allot to the person entitled, in consideration of their vesting conditions not based on the market value of the rights.

At the end of the period in which the rights can be exercised the related shareholders' equity reserve is reclassified within retained earnings.

At 31 December 2023, medium/long-term incentive plans allocated for the years 2021, 2022 and 2023 were recognised in the financial statements for the purposes of IFRS 2.

The plans that had an impact on the income statement are those that can be exercised and which, at the reporting date, have not yet been concluded, or those that have vested during the year.

All the plans are equity-settled, i.e., they involve the allocation of treasury shares bought back from the market. Options and the free allocation rights granted to the employee beneficiaries are linked to the Group's achievement of financial performance targets and the employee remaining with the Group for a certain length of time.

The details of incentive plans with free granting of shares to the beneficiaries can be summarised as follows:

	Incentive plan 2021	**Incentive plan 2022**	**Incentive plan 2023**
Grant date	14/09/2021	14/07/2022	01/08/2023
Vesting Period	from 01/01/2021 to 31/12/2023	from 01/01/2022 to 31/12/2024	from 01/01/2023 to 31/12/2025
Exercise period	from 01/10/2024	from 01/08/2025	from 01/09/2026
Fair Value	12.665 euro	A-class shares EUR 2.0770 B-class shares EUR 3.0370	A-class shares EUR 2.3885 B-class shares EUR 3.4625

On 1 August 2023, after having consulted the Nomination and Remuneration Committee, Mediaset's Board of Directors also determined the beneficiaries under the Medium/Long–Term Incentive and Loyalty Plan (2021-2023) established by resolution of the Shareholders' Meeting of 23 June 2021. The Board allocated those same beneficiaries their entitlements for 2023, the quantity of which were determined based on the criteria established in the Plan regulations approved by the Board of Directors during the meeting held on 27 July 2021 and amended following the introduction of the dual share class.

Below is a summary of the changes to the medium/long-term incentive plans:

	Incentive plan 2021		Incentive plan 2022		Incentive plan 2023		Total
	A Shares	B Shares	A Shares	B Shares	A Shares	B Shares	
Options outstanding at 1/1/2022	-	1,823,852	-	-	-	-	1,823,852.0
Options issued during the year	1,823,852	-	5,625,698	3,780,598	-	-	11,230,148
Options exercised during the year	-	-	-	-	-	-	-
Options not-exercised during the year	-	-	-	-	-	-	-
Options expired/cancelled during the year	-	-	-	-	-	-	-
Options outstanding at 31/12/2022	**1,823,852**	**1,823,852**	**5,625,698**	**3,780,598**	**-**	**-**	**13,054,000**
							-
Options outstanding at 1/1/2023	1,823,852	1,823,852	5,625,698	3,780,598	-	-	13,054,000.0
Reverse stock split (1 new share for every 5 old shares)	-1,459,082	-1,459,082	-4,500,569	-3,024,492	-4,056,349	-2,904,092	-17,403,666
Options issued during the year	-	-	-	-	5,070,414	3,630,102	8,700,516
Options exercised during the year	-	-	-	-	-	-	-
Options not-exercised during	-	-	-	-	-	-	-
Options expired/cancelled during the year	-	-	-	-	-	-	-
Options outstanding at 31/12/2023	**364,770**	**364,770**	**1,125,129**	**756,106**	**1,014,065**	**726,010**	**4,350,850**

The incentive plans are recognised in the financial statements at their fair value:

- 2021 Stock Option Plan: EUR 12.665 per share.
- 2022 Stock Option Plan: EUR 2.0770 per A-class share and EUR 3.0370 per B-class share
- 2023 Stock Option Plan: EUR 2.3885 per A-class share and EUR 3.4625 per B-class share

The fair value of the incentive plans was calculated based on the stock market price of MFE A-class and MFE B-class shares on the grant date, and was amended following the reverse stock split of 23 October 2023 as better detailed in Note 4.

15. RELATED-PARTY TRANSACTIONS

The following summary table shows, for the main income statement and balance sheet items, the details of the companies that are the counterparts of these transactions.

	Revenues	Costs	Financial income / (expense)	Trade receivables	Trade payables	Other receivables/ (payables)
CONTROLLING ENTITY						
Fininvest S.p.A.	**0.1**	**4.9**	**-**	**0.0**	**0.1**	**0.0**
AFFILIATED ENTITIES						
Società Sportiva Monza 1912 S.p.A.	0.0	11.2	-	0.0	3.1	0.0
Arnoldo Mondadori Editore S.p.A.*	4.6	1.2	-	2.1	0.7	(0.0)
Fininvest Real Estate and Services S.p.A.	0.0	-	-	0.0	-	-
Mediolanum S.p.A.*	4.4	-	-	0.0	-	-
Other affiliated entities	0.1	0.9	-	0.0	0.1	-
Total Affiliated Entities	**9.1**	**13.4**	**-**	**2.2**	**3.9**	**(0.0)**
ASSOCIATES AND JOINT VENTURES						
Boing SpA	8.4	24.5	(0.0)	3.6	13.7	0.6
EI Towers Group **	1.7	161.5	-	0.3	1.5	0.0
Fascino Produzione Gestione Teatro S.r.l.	0.0	64.0	(0.9)	0.6	10.0	(38.2)
Mediamond SpA	39.2	1.9	(0.1)	23.7	0.9	(0.9)
Prosieben Group	0.3	-	0.4	-	-	0.3
Other joint ventures and associates	2.8	110.3	0.0	0.4	27.8	5.0
Total Joint ventures and associates	**52.4**	**362.3**	**(0.6)**	**28.6**	**53.8**	**(33.2)**
KEY MANAGEMENT PERSONNEL* **	**-**	**14.6**	**-**	**-**	**-**	**(9.1)**
SUPPLEMENTARY PENSION SCHEME (Mediafond)	**0.0**	**(0.0)**	**-**	**0.0**	**-**	**(1.1)**
OTHER RELATED PARTIES****	**0.0**	**0.0**	**-**	**0.0**	**-**	**-**
TOTAL RELATED PARTIES	**61.6**	**395.2**	**(0.6)**	**30.9**	**57.9**	**(43.4)**

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

** The figure includes the company and its subsidiaries.

*** The figure refers to the directors of MFE MediaforEurope NV.

**** The figure include the relations with the directors of the parent company Fininvest S.p.A., their and the MFE directors' 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 and 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 advertising space. All these transactions are carried out at market value conditions and on an arm's lengths basis.

The revenues from Mediamond (joint venture between Publitalia'80 and Mondadori Pubblicità) refer to the amounts due to MFE Group companies operating editorially for websites and relate to the sale of advertising space by agency.

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.

The *costs* paid to the associate EI Towers relate to those paid under the "full service" contract for the hosting, support and maintenance of broadcasting equipment, the signal contribution services performed for Elettronica Industriale and the hosting and maintenance services performed for the Group's radio broadcasters.

The item *other receivables/(payables)* mainly refers to payables for loans and credit facilities due to affiliate companies, intercompany current accounts and loans given to associates.

During the year, dividends were also collected from affiliates and jointly controlled entities, for a total of EUR 29.6 million.

For more information as required by IAS 24 on the compensation of MFE Directors, please see the table below and Remuneration Report annexed to this Annual Report.

2023 — Short-term benefits

Name	Position at MFE	Fixed Compensation in MFE. *	Compensation for participation in MFE committees	Fixed compensation – Subsidiaries and associates		Compensation for participation in subsidiaries' and associates' committees	Variable compensation	Other variable compensation (bonuses)	Non-monetary benefits	Post-employment benefits***	Share based payments	Total
Pier Silvio Berlusconi	CHIEF EXECUTIVE OFFICER	1,040,000		384,954	*		620,000		19,950	113,704	319,321	2,497,929
Marco Angelo Giordani	EXECUTIVE DIRECTOR	40,000		1,152,571	*	24,000	248,000		9,465	448,247	127,729	2,050,012
Gina Nieri	EXECUTIVE DIRECTOR	40,000		1,102,387	*	16,000	179,251		9,005	412,891	95,796	1,855,330
Niccolo' Querci	EXECUTIVE DIRECTOR	40,000		1,195,468	*	20,000	276,660		13,231	478,738	51,889	2,075,987
Stefano Guido Sala	EXECUTIVE DIRECTOR	40,000		1,902,388	*		460,126		19,935	687,857	287,389	3,397,696
		1,200,000	**-**	**5,737,768**		**60,000**	**1,784,037**		**71,587**	**2,141,437**	**882,124**	**11,876,953**
Fedele Confalonieri	NON-EXECUTIVE DIRECTOR (Chair)	60,000		1,901,250	-	28,000			15,397	18,163		2,022,810
Stefania Bariatti	NON-EXECUTIVE DIRECTOR	40,000	50,000		-		-	-	-	3,600		93,600
Marina Berlusconi	NON-EXECUTIVE DIRECTOR	40,000		-	-	-	-	-	-	6,400		46,400
Marina Brogi	NON-EXECUTIVE DIRECTOR	40,000	70,000	-	-	-	-	-	-	4,464		114,464
Raffaele Cappiello	NON-EXECUTIVE DIRECTOR	40,000	20,000	-	-	-	-	-	-	2,552		62,552
Costanza Esclapon De Villeneuve	NON-EXECUTIVE DIRECTOR	40,000	30,000	-	-	-	-	-	-	-		70,000
Giulio Gallazzi	NON-EXECUTIVE DIRECTOR	40,000	20,000	-	-	-	-	-	-	14,016		74,016
Danilo Pellegrino**	NON-EXECUTIVE DIRECTOR	40,000								-		40,000
Alessandra Piccinino	NON-EXECUTIVE DIRECTOR	40,000	50,000	-	-	-	-	-		14,400		104,400
Carlo Secchi	NON-EXECUTIVE DIRECTOR	40,000	40,000	-	-	-	-	-	-	12,800		92,800
		420,000	**280,000**	**1,901,250**		**28,000**	**-**	**-**	**15,397**	**76,396**	**-**	**2,721,043**
		1,620,000	**280,000**	**7,639,018**		**88,000**	**1,784,037**		**86,984**	**2,217,833**	**882,124**	**14,597,996**

*It includes the Fixed Remuneration as an employee, the Non-Competition Agreement and the emoluments received in subsidiaries of MFE
** Payment order in favor of Fininvest Spa
*** (for Groups' employees) including TFR severance indemnity equal to 6.90% of the total compensation as established by Italian law

2022 Short-term benefits

Name	Position at MFE	Fixed Compensation in MFE. *	Compensation for participation in MFE committees	Fixed compensation – Subsidiaries and associates		Compensation for participation in subsidiaries' and associates' committees	Variable incentive scheme	Other variable compensation (bonuses)	Non-monetary benefits	Post-employment benefits***	Share based payments	Total
Pier Silvio Berlusconi	CHIEF EXECUTIVE OFFICER	1,040,000		370,163	*		408,125		19,453	107,660	306,736	2,252,137
Marco Angelo Giordani	EXECUTIVE DIRECTOR	40,000		1,124,650	*	80,000	242,750		10,510	455,985	122,695	2,076,590
Gina Nieri	EXECUTIVE DIRECTOR	40,000		1,073,851	*	52,000	186,564		9,029	415,402	92,021	1,868,867
Niccolo' Querci	EXECUTIVE DIRECTOR	40,000		1,164,020	*	68,000	291,591		13,199	475,558	49,845	2,102,213
Stefano Guido Sala	EXECUTIVE DIRECTOR	40,000		1,827,857			465,189		19,935	698,657	276,063	3,327,731
		1,200,000	**-**	**5,560,541**		**200,000**	**1,594,219**		**72,156**	**2,153,262**	**847,360**	**11,627,538**
Fedele Confalonieri	NON-EXECUTIVE DIRECTOR (Chair)	60,000		1,875,000	-	80,000			15,389	16,802		2,047,191
Stefania Bariatti	NON-EXECUTIVE DIRECTOR	40,000	50,000		-		-	-	-	2,700		92,700
Marina Berlusconi	NON-EXECUTIVE DIRECTOR	40,000		-	-	-	-	-	-	6,400		46,400
Marina Brogi	NON-EXECUTIVE DIRECTOR	40,000	70,000	-	-	-	-	-	-	2,213		112,213
Raffaele Cappiello	NON-EXECUTIVE DIRECTOR	40,000	20,000	-	-	-	-	-	-	1,200		61,200
Costanza Esclapon De Villeneuve	NON-EXECUTIVE DIRECTOR	40,000	30,000	-	-	-	-	-	-	-		70,000
Giulio Gallazzi	NON-EXECUTIVE DIRECTOR	40,000	20,000	-	-	-	-	-	-	13,070		73,070
Danilo Pellegrino***	NON-EXECUTIVE DIRECTOR	40,000								-		40,000
Alessandra Piccinino	NON-EXECUTIVE DIRECTOR	40,000	50,000	-	-	-	-	-		7,200		97,200
Carlo Secchi	NON-EXECUTIVE DIRECTOR	40,000	40,000	-	-	-	-	-	-	16,802		96,802
		420,000	**280,000**	**1,875,000**		**80,000**	**-**	**-**	**15,389**	**66,387**	**-**	**2,736,776**
		1,620,000	**280,000**	**7,435,540**		**280,000**	**1,594,219**		**87,545**	**2,219,649**	**847,360**	**14,364,314**

**Includes the Fixed Remuneration as an employee, the Non-Competition Agreement and the emoluments received in subsidiaries of MFE
** Payment order in favour of Fininvest Spa
*** (for Groups' employees) including TFR severance indemnity equal to 6.90% of the total compensation as established by Italian law

16. GUARANTEES AND COMMITMENTS

Guarantees include both the guarantees given and those received by the company. The guarantees given refer to those provided by the Group for the its own or third-party obligations. The guarantees received refer to those provided by third parties for the benefit or in the interest of the Group. The guarantees given and received by the company include personal guarantees (sureties, endorsements) and real guarantees (liens, mortgages). Guarantees given are recognised at the moment the company gives the guarantee.

Commitments are obligations assumed by the company towards third parties, which originate from legal transactions that have certain mandatory effects but have not yet been performed by either party (so-called deferred performance contracts). Nevertheless, these can significantly affect the company's equity and financial position, and it is useful to bear them in mind when evaluating this position. Commitments include future commitments of certain performance and amount, and future commitments of certain performance but uncertain amount. Commitments are initially recognised at the nominal value inferred from the transaction documents.

The amounts of guarantees and commitments are re-determined at each reporting date.

The overall amount of guarantees received, mainly bank guarantees, for receivables from third parties totalled EUR 6.4 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 89.8 Million (EUR 103.7 million at 31 December 2022), almost entirely referring to the Mediaset España Group.

The main commitments of the Group companies can be summarised as follows:

- commitments for the acquisition of television and movie broadcasting rights (free and pay), totalling EUR 631.1 million (EUR 599.3 million at 31 December 2022). These future commitments relate mainly to volume deal contracts of the Group with some of the leading American TV producers.
- EUR 11.0 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 321.8 million (EUR 367.9 million at 31 December 2022), of which EUR 153.9 million due to Related Parties;
- commitments for digital broadcasting capacity services of EUR 1.5 million (EUR 0.8 million at 31 December 2022);
- EUR 11.9 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 229.1 million (EUR 386.2 million at 31 December 2022) relating to the long-term contract for hospitality, support and maintenance services (full service), in effect from 1 July 2018 to 30 June 2025.
- commitments for the purchase of new equipment, multi-year rent of high-frequency service from towers, the supply of EDP services and commitments to trade associations for the use of intellectual property rights totalling EUR 181.2 million (EUR 187.5 million at 31 December 2022);

17. SUBSEQUENT EVENTS AFTER 31 DECEMBER 2023

As a consequence of Publitalia's **acquisition** of Mondadori's **50%** stake in **Mediamond**, the latter (held jointly between Publitalia and Mondadori at 31 December 2023) and its subsidiary Videowall S.r.l. are consolidated on a line-by-line basis starting from 1 January 2024.

During the first quarter of the year, the Austrian antitrust authorities approved the notice filed prior to the cash-settled unwinding of the outstanding collar over MFE's 3.3% equity interest in **ProsiebenSat1** ("P7S1") and the repayment of the residual loan taken out by MFE upon acquiring an initial portion of the investment. As a result of these transactions, MFE's interest in P7S1 – which had until then been held through financial instruments – was now included in the calculation for antitrust purposes, with MFE now exceeding the de facto control thresholds provided for in EU and Austrian antitrust law. In the third quarter of 2023, a similar procedure was also successfully completed with the European antitrust authorities. Following the positive outcome of these procedures, MFE obtained the authorization to hold *a controlling interest* in P7S1. From an accounting point of view, since the conditions on the basis of which, starting from 30 June 2023, MFE had identified the presence of significant influence on the investee pursuant to IAS 28 have not changed in the meantime, the investment will continue to be classified and valued using the "Equity Method". In particular, after the subsequent settlement of the existing hedging instruments which took place on 15 March 2024, MFE's the entire shareholding in P7S1 - currently equal to 28.9% of the share capital, which net of treasury shares is equivalent to 29.7 % of the share of economic interests and voting rights (therefore also including the 3.3% share of the share capital which until 31 December 2023 had been classified and accounted for as a financial investment pursuant to IFRS 9) - will now be accounted as an associate interest pursuant to IAS 28.

On **11 March 2024**, **Digitalia 08 and Dazn renewed their agreement** granting Digitalia '08 exclusive rights to advertising sales for Serie A Enilive for the three-year period 2024-2027. This strategic agreement between the sports live streaming platform and the MFE Group's advertising concessionaire was a major contributor to advertising sales during the first 2021-2024 rights cycle, generating greater revenue than any previous Serie A deal in history.

On **21 March 2024**, MFE announced a number of proposed resolutions to be submitted to the Annual General Meeting of **ProSiebenSat1** ("P7S1") on 30 April 2024, with the aim of increasing value for all shareholders and accelerating the company's strategy of focusing on the Entertainment business.

18. LIST OF EQUITY INVESTMENTS INCLUDED IN THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

Companies consolidated on a line-by-line basis	Registered Office	Currency	Share capital capital	% held by the Group (*)
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%
Dr Podcast Audio Factory Limited	London	GBP	0.0	70.06%
Publieurope SAS	Parigi	EUR	0.0	100.00%
R.T.I. S.p.A.	Rome	EUR	500.0	100.00%
Elettronica Industriale S.p.A.	Lissone (MB)	EUR	163.2	100.00%
Medusa Film S.p.A.	Rome	EUR	20.0	100.00%
Medset Film S.a.s.	Parigi	EUR	0.5	100.00%
Radio Mediaset S.p.A.	Milan	EUR	7.4	100.00%
Monradio S.r.l.	Milan	EUR	3.0	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	190.1	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	0.0	100.00%
Netsonic S.L	Barcelona	EUR	0.0	100.00%
Aninpro Creative SL	Madrid	EUR	0.0	52.47%
Be a Iguana S.L.U.	Madrid	EUR	0.0	52.47%
Be a Tiger S.L.U	Madrid	EUR	0.0	52.47%
Engage 2021 SLU	Madrid	EUR	0.0	52.47%
Social 15D 2021 SLU	Madrid	EUR	0.0	52.47%
Social Halo 2021 SLU	Madrid	EUR	0.0	52.47%

Associates and joint ventures

	Registered Office	Currency	Share capital capital	% held by the Group (*)
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%
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%
EI Towers S.p.A.	Lissone (MB)	EUR	2.8	40.00%
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%
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	34.12%
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	28.87%
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%

Other equity investments

	Registered Office	Currency	Share capital capital	% held by the Group (*)
Altania del Mar SL	Madrid	EUR	0.0	12.48%
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	5.44%
ByHours Travel S.L.	Madrid	EUR	0.0	8.66%
C.R. DAB consorzio Radio Digitale SCARL		EUR	0.2	3.22%
Genetiko Comunication S.p.A.	Conversano (Bari)	EUR	0.0	15.00%
Gilda S.r.l.	Milan	EUR	0.0	10.31%
Grover Group Gmbh	Berlin (Germany)	EUR	0.0	0.31%
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	6.90%
Pensium SL	Barcelona	EUR	0.0	6.28%
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%
Satispay S.p.A.	Milan	EUR	0.6	0.31%
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	8.84%
Westwing Group Gmbh	Munich	EUR	0.1	0.39%
Zandivio Ltd	Limassol (Cyprus)	EUR	0.0	7.30%

(*) The Group's shareholding is calculated by taking into account the stake directly and indirectly held by the Parent Company at 31 Decembre 2023, without taking into account the treasury shares of subsidiaries and investees.

MFE-MEDIAFOREUROPE N.V.

Financial Statements and Explanatory Notes

MFE - MEDIAFOREUROPE N.V.

STATEMENT OF FINANCIAL POSITION

(values in EUR thousand)

ASSETS	Notes	31/12/2023	31/12/2022
Non-current assets	5		
Property, plant and equipment	5.1	54	27
Investments in:	5.5		-
subsidiaries		2,141,755	2,588,295
associates and joint ventures		979,479	465,634
other companies		42,883	229,998
Total		3,164,118	3,283,927
Receivables and other non-current financial assets	5.6	17,243	51,820
Deferred tax assets	5.9	185,176	196,651
Total non-current assets		**3,366,590**	**3,532,425**
Current assets	6		
Trade receivables	6.2		
customers		1	1
subsidiaries		277	337
associates and joint ventures		0	0
Total		278	338
Tax receivables	6.3	21,789	19,989
Other receivables and current assets	6.4	59,170	19,813
Intercompany financial receivables	6.5		
subsidiaries		100,676	624,962
associates and joint ventures		865	1,795
Total		101,541	626,756
Other current financial assets	6.6	32,269	27,628
Cash and cash equivalents	6.7	100,106	20,044
Total current assets		**315,152**	**714,569**
TOTAL ASSETS		**3,681,743**	**4,246,993**

MFE - MEDIAFOREUROPE N.V.

STATEMENT OF FINANCIAL POSITION

(values in EUR thousand)

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31/12/2023	31/12/2022
Shareholders' equity	8		
Share capital	8.1	161,649	800,313
Share premium reserve	8.2	1,149,602	423,998
Treasury shares	8.3	(358,035)	(390,734)
Legal reserves	8.4	(2,702)	(128,466)
Retained earnings/(losses) and other reserves	8.6	802,705	1,066,564
Profit/(loss) for the year	8.7	5,337	27,416
TOTAL SHAREHOLDERS' EQUITY		**1,758,557**	**1,799,091**
Non-current liabilities	9		
Post-employment benefits plans	9.1	53	52
Deferred tax liabilities	9.2	3,805	7,793
Payables and financial liabilities	9.3	703,158	991,104
Total non-current liabilities		**707,016**	**998,949**
Current liabilities	10		
Payables to: banks	10.1	231,504	265,040
Trade payables	10.2		
due to suppliers		2,508	2,505
subsidiaries		2,059	554
due to affiliates		8	-
due to parent companies		20	20
Total		4,595	3,079
Intercompany financial payables	10.5		
subsidiaries		703,759	910,524
associates and joint ventures		39,195	47,391
Total		742,954	957,914
Other financial liabilities	10.6	4,891	14,559
Other current liabilities	10.7	232,227	208,360
Total current liabilities		**1,216,170**	**1,448,953**
TOTAL LIABILITIES		**1,923,186**	**2,447,902**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,681,743**	**4,246,993**

MFE - MEDIAFOREUROPE N.V.

STATEMENT OF INCOME

(values in EUR thousand)

STATEMENT OF INCOME	Notes	FY 2023	FY 2022
Revenues	12		
Revenues from sales and services	12.1	1,012	1,068
Other revenues and income	12.2	10	155
Total revenues		**1,021**	**1,222**
Costs	13		
Personnel expenses	13.1	727	470
Purchases	13.2	8	4
Services	13.5	11,041	8,898
Royalties	13.6	510	480
Other operating expenses	13.8	2,967	2,579
Amortisation and depreciation	13.9	(1,935)	1,509
Total costs		**13,318**	**13,940**
Operating result		**(12,296)**	**(12,717)**
(Expenses)/income from financing activities	15		
Financial expenses	15.1	(124,657)	(121,295)
Financial income	15.2	90,133	105,933
Income/(expenses) from equity investments	15.3		
dividends from subsidiaries		18,000	2,377
dividends from associates		22,541	24,000
dividends from other companies		382	21,864
other income/(expenses) from equity investments		1,309	-
Total		42,232	48,241
Total (expenses)/income from financing activities		**7,708**	**32,880**
Profit before tax		**(4,588)**	**20,162**
Income tax for the year	16		
current taxes		(10,406)	(6,888)
deferred tax assets/liabilities		480	(366)
Total income tax for the year		**(9,926)**	**(7,254)**
Net profit/(loss) from continuing operations		**5,337**	**27,416**
Profit/(loss) for the year	8.7	**5,337**	**27,416**

Comprehensive Statement of Income

(values in EUR thousand)

STATEMENT OF COMPREHENSIVE INCOME	Notes	FY 2023	FY 2022
PROFIT/(LOSS) FOR THE YEAR (A)	8.7	**5,337**	**27,416**
Comprehensive income/(loss) that may be reclassified subsequently to profit or loss		(12,628)	24,853
Effective portion of gains and losses on hedging instruments (cash flow hedge)		(16,616)	32,702
Tax effect		3,988	(7,848)
Comprehensive income/(loss) that will not be reclassified to profit or loss		12,788	(140,580)
Actuarial gains/(losses) from defined benefit plans	8.5	0	(1)
Tax effect		(0)	0
Profit/(loss) from financial assets classified fair value through OCI		(4,068)	(150,476)
Tax effect		-	-
Profit/(loss) from option valuations		16,856	9,813
Tax effect		-	84
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) NET OF TAX EFFECTS (B)		**160**	**(115,727)**
TOTAL COMPREHENSIVE INCOME (A + B)		**5,498**	**(88,311)**

STATEMENT OF CASH FLOWS

(values in EUR thousand)

CASH FLOW FROM OPERATING ACTIVITIES	Notes	FY 2023	FY 2022
Operating result	-	(12,296)	(12,717)
Depreciation, amortisation and impairment	13.9	12	1,518
Allowances net of utilisation	10.3	(1,935)	-
Changes in current assets/liabilities	17.1	(20,838)	(6,860)
Interest paid	-	(22,861)	(1,506)
Interest received	-	22,879	7,529
Income tax paid	-	(12,617)	(12,911)
Income tax received	-	18,126	5,109
Dividends received	17.2	90,232	41,183
Net cash flow from operating activities (A)		**60,702**	**21,345**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for equity investments	17.3	(63,456)	(220,165)
Proceeds from equity divestments	17.3	-	595,000
Cash pooling	17.4	328,315	(112,334)
Effects of cross-border mergers		268,762	
Net cash flow from investing activities (B)		**533,621**	**262,501**
CASH FLOW FROM FINANCING ACTIVITIES			
Purchase of treasury shares	17.5	-	(32,636)
Dividends paid	17.6	(140,052)	(131,872)
Other financial assets/liabilities paid	17.7	(610,656)	(458,208)
Other financial assets/liabilities received	17.8	271,000	348,065
Interest paid	-	(34,553)	(13,922)
Net cash flow from/used in financing activities (C)		**(514,261)**	**(288,573)**
Changes in cash and cash equivalents (D=A+B+C)		**80,062**	**(4,727)**
Cash and cash equivalents at the beginning of the year (E)		**20,044**	**24,771**
Cash and cash equivalents at end of the year (F=D+E)		**100,106**	**20,044**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(values in EUR thousand)

	Share capital	Share premium reserve	Treasury shares	Legal reserves	Retained earnings/(losses) and other reserves	Profit/ (loss) for the year	Total shareholders' equity
Closing Balance at 01/01/2022	777,186	275,237	(374,521)	(19,620)	1,007,764	214,117	**1,880,163**
Allocation of 2021 net result as per the general meeting of 29/06/2022	-	-	-		82,245	(214,117)	(131,872)
Increase in share capital - 12/07/2022 pursuant to Offer	23,021	148,867	-		-	-	171,888
Increase in share capital - 18/07/2022 pursuant to LTI Plan	106	(106)	-		-		-
Changes for purchase/sale of treasury shares	-	-	(32,636)		-	-	(32,636)
Other changes (Transaction costs)	-	-	-		(3,225)	-	(3,225)
Changes in medium/long-term incentive plans	-	-	16,423		(13,339)	-	3,084
Total comprehensive income/(loss) for the year	-	-	-	(108,846)	(6,880)	27,416	(88,310)
Closing Balance at 31/12/2022	800,313	423,998	(390,734)	(128,466)	1,066,565	27,416	**1,799,092**
Closing Balance at 01/01/2023	800,313	423,998	(390,734)	(128,466)	1,066,565	27,416	**1,799,092**
Distribution of the result for the 2022 financial year as per the meeting of 06/07/2023	-	-			(112,640)	(27,416)	(140,056)
20/02/2023 - Increase in share capital, issue of new MFEA shares		-	25		(25)	-	-
03/05/2023 - Increase in share capital under MES Merger	13,256	79,006					92,262
24/05/2023 - Change in share capital - cancellation of MFEA shares	(5,322)		32,636		(27,314)		-
23/10/2023 - Start of reverse split - cancellation of 4 MFE A and B shares	-				-		-
23/10/2023 - Reverse split of MFE shares with 1 new share allocated for every 5 old shares	(646,598)	646,598			-	-	-
22/11/2023 - Increase in share capital, issue of new MFEA shares			38		(38)		-
Other changes	-	-		125,604	(128,573)	-	(2,968)
Changes in medium/long-term incentive plans	-	-	-		4,730	-	4,730
Total comprehensive income/(loss) for the year	-	-		160		5,337	5,498
Closing Balance at 31/12/2023	161,649	1,149,602	(358,035)	(2,702)	802,706	5,337	**1,758,557**

GENERAL INFORMATION

1. GENERAL INFORMATION

MFE-MEDIAFOREUROPE N.V.("MFE" or "The Company") is a listed joint-stock company (naamloze vennootschap) subject to Dutch law and registered in the Dutch Commercial Register (CCI number: 83956859). It was incorporated on 26 November 1987. Its registered office (statutaire zetel) is at Prinsengracht 462 in Amsterdam (the Netherlands) and its headquarters, Italian branch and tax residence are at Viale Europa 46, 20093 Cologno Monzese, Milan, Italy. Its ultimate controlling party is Fininvest S.p.A. The MFE ordinary shares are listed on Euronext Milan, a regulated market organised and managed by Borsa Italiana S.p.A., with tickers symbol MFEA and MFEB. On 14 June 2023, MFEA ordinary shares were also 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).

MFE is a multinational media company, mainly operating trough its subsidiaries in the television industry in Italy and Spain. In Italy, MFE is the leading operator by audience share and advertising market share in the commercial television broadcasting sector, with three of Italy's biggest general interest networks and an extensive portfolio of thematic free-to-air and pay TV channels - both linear and non-linear) - with a broad range of cinema, TV series and children's channel content. In recent years, MFE has also set up its own radio segment through acquisitions, bringing together four of the largest national broadcasters.

As a result of the cross-border merger by incorporation of Mediaset España Comunicación, S.A., MFE is the sole shareholder of Grupo Audiovisual Mediaset España Comunicación, S.A.U. ("GA Mediaset"), with an interest of 100% at 31 December 2023. GA Mediaset is the leading Spanish commercial television broadcaster with two main general interest channels (Telecinco and Cuatro) and a range of free-to-air thematic channels. The Group, of which GA Mediaset is part, is also active in content production, OTT services and digital publishing activities.

MFE is also the largest shareholder of ProSiebenSat.1 Media SE, one of the largest media groups in Europe, which is listed on the Frankfurt Stock Exchange and enjoys a position of leadership in Germany, Austria and Switzerland.

The amounts contained in these notes are stated in thousands of euros.

2. ADOPTION OF INTERNATIONAL ACCOUNTING STANDARDS

These financial statements are:

- prepared in accordance with International Financial reporting Standard (IAS/IFRS) as adopted by the European Union (EU) and comply with the financial reporting requirement included in Part 9 of the Book 2 of the Dutch Civil Code. All standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financing Reporting Interpretations Committee (IFRIC) effective year-end 2021 have been adopted by the EU. Consequently, the accounting policies applied by the Company also fully comply with IFRS as issued by the IASB.
- prepared by the Board of Directors of the Company and authorised for issue on 17 April 2024 and will be submitted for adoption to the Annual General Meeting of Shareholders on 19 June 2024.
- 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 Company's ability to meet its obligations

in the foreseeable future. The risks and uncertainties regarding the business are described in the Directors' Report on Operations. The way in which the Company manages its financial risks, including liquidity and capital risk, is described in the section entitled "Disclosure on financial instruments and risk management policies" in these Explanatory Notes.

- presented in Euro, which is the functional currency used for the majority of the Company's operations.

Where possible, in order ensure better comparison and presentation of the financial statement items in the event of reclassifications, the items from the previous year have been adjusted accordingly.

Amounts reported in these Financial Statements are expressed in thousands of euro and compared to corresponding figures for the previous year, prepared on a like basis.

3. BASIS OF PRESENTATION, ACCOUNTING POLICIES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS AND MEASUREMENT CRITERIA

These Financial Statements have been prepared on a going concern basis, as the Directors have verified that there are no financial, operational, or other indicators that could affect the Company's ability to meet its obligations in the foreseeable future. The risks and uncertainties related to the business are described in the Directors' Report on Operations.

A description of how the Company manages its financial risks, including liquidity and capital risk, is provided in the section "Disclosures on financial instruments and risk management policies" in these Explanatory Notes.

The Financial Statements at 31 December 2023 have been prepared in accordance with International Accounting Standards and related interpretations in force at the reporting date.

The general basis for the presentation of assets and liabilities is cost, with the exception of certain financial instruments which have been measured at fair value in accordance with IFRS 9 and IFRS 13.

Accounting standards, amendments and interpretations applied as 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.

This new principle aims to ensure that entities provide relevant information that faithfully represents the rights and obligations under the insurance contracts entered into. 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 these amendments has had no impact on the Company's 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 to IAS 1 require entities to disclose relevant information about the accounting standards applied by the Company. The amendments are intended to enhance the disclosure of the Company's accounting policies so as to provide more useful information to the 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 Company'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.

From 1 January 2024, the MFE Group (as a Multinational Group that has exceeded the revenue threshold of EUR 750 million for two of the previous four years) falls within the Pillar-Two income tax bracket provided for in Directive 2022/2523 and adopted in Italy by Legislative Decree 209/2023, which aims to ensure a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union.

The MFE Group adopted the mandatory temporary exception as required by IAS12 "International Tax Reform-Pillar Two Model Rules", which provides that information on deferred tax assets and liabilities relating to Pillar-Two income taxes are not to be recognised and disclosed (in derogation from the standard's provisions), information on deferred tax assets and liabilities relating to Pillar-Two income taxes are not hereby recognised and disclosed.

With respect to all Group companies (and any joint ventures) located in each jurisdiction, exposure to Pillar-Two income tax is determined based on the level of effective taxation, which for each jurisdiction is influenced by several interrelated factors such as (primarily) the income produced there, the nominal tax rate, the tax rules for determining the tax base and the provision, form and enjoyment of incentives and other tax benefits.

Moreover, given the novelty and complexity involved in determining the level of effective taxation, Pillar-Two legislation provides the option (for the first periods in which they are in effect; i.e. the "transitional" rules valid for periods beginning before 31 December 2026 and ending no later than 30 June 2028) to apply simplified "safe harbour" rules (granting an exception from country-by-country reporting) based primarily on the accounting information available for each relevant jurisdiction which, if at least one of three tests is passed will decrease compliance costs and reduce Pillar-Two taxes to nil.

Based on known or reasonably estimable information, no jurisdictions with an ETR of less than 15% have been identified.

The adoption of these amendments has had no impact on the Company's financial statements.

Financial statements

The **Statement of Financial Position** has been prepared according to a format that splits assets and liabilities into between "current" and "non-current". An asset/liability is defined as current when it satisfies any of the following criteria:

- it is expected to be realised or settled, or is expected to be sold or consumed in the company's normal operating cycle;
- it is held primarily for the purpose of trading; or
- it is expected to be realised or settled within 12 months after the reporting date.

If none of the above conditions are met, the assets and liabilities are classified as non-current.

The **Income Statement** has been prepared according to the convention of classifying costs by their nature, with components making up earnings before interest and tax and earning before tax stated separately. In order to provide a clearer measure of the performance of ordinary operations, elements of cost and revenue arising from events or transactions that are considered non-recurring due to their nature or the significance of their amount, such as the disposal of controlling interests, are stated separately.

These transactions may fall under the definition of significant non-recurring transactions and events contained in Consob Communication no. 6064293 of 28 July 2006, as opposed to the definition of "atypical and/or unusual transactions" contained in the same Consob Communication of 28 July 2006, according to which atypical and/or unusual transactions are transactions that, due to their significance/importance, the nature of the counterparties, the object of the transaction, the method of calculation of the transfer price, and the timing of the event (e.g. proximity to the financial year end), can give rise to doubts concerning the correctness/completeness of the information in the financial statements, conflicts of interest, the safeguarding of the Company's assets, or the protection of minority shareholder interests.

The **Comprehensive Income Statement** shows the cost and revenue items, net of tax that, as required or allowed by the International Accounting Standards, are recognized directly within shareholders' equity reserves.

These items are further divided into those that may be reclassified to the income statement in the future and those that cannot be reclassified. Each type of significant shareholders' equity reserve shown in the statement is accompanied by a reference to the explanatory notes below, which contain related information and breakdowns, and changes on the previous fiscal year.

The **Cash Flow Statement** has been prepared using the indirect method, according to which Operating result is adjusted for the impacts of non-monetary transactions, for any deferral or allocation of previous or future operational cash receipts or payments and for elements of revenue or cost connected with cash flows from investing or financing activities. Income and expenses relating to medium/long-term financing transactions and related hedges, as well as dividends paid, are included within financial activities. The item Cash and cash equivalents only includes the balances of current accounts held with banks; the balance of the non-bank current account held subsidiaries, associates and joint ventures for centralised treasury management purposes is recognised under financing activities.

The **Statement of Changes in Shareholders' Equity** shows the changes that have taken place in shareholders' equity items in relation to:

- the distribution of dividends for the period;
- changes in shareholders' equity reserves (e.g. share-based payments under investment plans, interest rate hedges and changes in the fair value of FVTOCI financial assets, including related financial hedging instruments);
- each item of comprehensive, net of any tax effects, that, as required by IFRS, is recognised either directly in shareholders' equity (e.g. actuarial gains and losses from the measurement of defined benefit plans) or for which a balancing entry is carried in a shareholders' equity reserve;
- comprehensive income for the period.

For each type of significant shareholders' equity reserve shown in the statement, reference is given to the explanatory notes below that contain the relative information and details of their breakdowns and the changes that have taken place compared to the previous fiscal year.

Moreover, to comply with the requirements of Consob Resolution No. 15519 of 27 July 2006 "Provisions regarding the structure of financial statements", specific statements of income and financial position have been prepared, in addition to the mandatory statements, showing significant amounts of related-party accounts or transactions separately from the related items.

Non-current assets

Property, plant and equipment

Leased-in assets

Assets acquired under financial leasing contracts are posted under intangible fixed assets in an item entitled "Rights of use" at the value of the financial liability, calculated based on the current value of future payments, in turn discounted at the incremental borrowing rate for each contract. The payable is progressively reduced according to the repayment schedule for the amounts of principal included in the contractual instalments. The interest amount, on the other hand, is recognised in the income statement under financial expenses. The value of the asset recognised under tangible fixed assets is depreciated on a straight-line basis according to the expiry date of the lease agreement, while also taking into account the likelihood of renewal of the agreement in the presence of an enforceable renewal option.

Fees for leasing contracts with a duration of 12 months or less and for contracts with a low-value underlying asset are posted on a straight-line basis according to the duration of the contract.

Impairment of assets

The carrying amounts of recognized equity investments are periodically reviewed in accordance with IAS 36, which requires the assessment of the existence of any losses in the carrying amount of the assets, where indicators suggest that impairment may exist.

If impairment loss indicators are identified, the recoverable amounts recognised are checked by comparing the carrying amount recognized in the financial statements and the higher of the fair value less costs of disposal and the value in use of the tested asset/Group of assets.

In the case of impairment losses, the related cost is recognized to the income statement. The original value can be reinstated in the following fiscal years if the conditions for the impairment no longer apply.

Equity investments in subsidiaries, associates and joint ventures

These equity investments are recognised in the financial statements using the cost method.

The risk resulting from any losses exceeding the shareholders' equity value is recognised in a specific provision to the extent that the Company is committed to fulfilling legal or implicit obligations towards the investee or, in any case, to cover its losses.

Equity investments in other companies

Equity investments other than those in subsidiaries, associates or joint ventures are measured in accordance with IFRS 9 and in particular classified in the category of financial assets measured at fair value with recognition of changes in the other comprehensive income statement, without recycling to profit and loss.

This category also includes non-controlling interests investments acquired by the Company with the aim of making medium-term non-speculative investments. In this case, fair value can be determined based on specific valuation models, by taking account of the prices of recent transactions on the capital of those companies or, for equity investments in listed companies, on the basis of the current stock market price at the reporting date.

Current assets

Trade receivables

Receivables are measured at their fair value, which — except where customers have been granted significantly extended payment terms — is the same as the value calculated using the amortised cost method. Pursuant to IFRS 9, trade receivables are classified as "held to collect" or "held to collect and sell". Their value at year-end is adjusted to their estimated realisable value and impaired when needed, with expected credit loss measured using a time horizon of 12 months in the absence of any evidence of a significant increase in credit risk. Receivables originating in non-EMU currencies are measured at the year-end spot rates issued by the European Central Bank.

Other current financial assets

After initial recognition, all financial assets recognised which are covered by the scope of IFRS 9 must be subsequently recognised at amortised cost or fair value based on the business model of the entity to manage financial assets and the characteristics of contractual cash flows of the financial asset.

Specifically:

- debt instruments held within a business model whose objective is achieved by holding financial assets to collect contractual cash flows, and that have cash flows representing solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost;
- debt instruments held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have cash flows representing solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value with changes recognised in other components of the statement of comprehensive income;
- all other debt instruments and investments in equity instruments are subsequently measured at fair value, with changes recognised in profit (loss), with the exception of equity instruments that can be designated as financial assets for which changes in fair value are recognised in Other comprehensive income, without recycling to profit and loss.

Cash and cash equivalents

This item includes petty cash, bank current accounts and deposits that are repayable on demand and other short-term and highly liquid financial investments that are readily convertible into cash, with an insignificant risk of a change in value.

Treasury shares

Treasury shares are recognised at cost and recorded as a reduction of shareholders' equity and all the gains and losses resulting from transaction on treasury shares are classified within a specific shareholders' equity reserve.

Non-current liabilities

Employee benefits

Post-employment benefit plans

Employee leaving entitlements qualify as a post-employment benefit and are classified as a defined benefit plan. Using the projected unit credit method, amounts accrued are projected in order to estimate the final liability at the future time when employment will be terminated and are then discounted. The actuarial method is based on demographic and financial assumptions used to give a reasonable estimate of the benefits accrued by each employee for service.

The actuarial valuation results in the recognition of an interest cost under the item Financial (Expenses)/Income that represents the theoretical charge that the Company would incur if it requested a market loan for the amount of the employee leaving entitlements.

Actuarial gains and losses reflecting the impacts from changes in the actuarial assumptions used are recognised directly in shareholders' equity without ever going through the income statement.

Due to reforms to Italian employee leaving entitlements ("TFR") introduced by Law No. 296 of 27 December 2006 ("Finance Law 2007") and implemented by subsequent decrees and regulations, the accounting policies applied to TFR benefits accrued at 31 December 2006 and those accruing from 1 January 2007 were changed in accordance with IAS 19 and interpretations issued by Italian accounting standard setters in July 2007.

As a result of the Supplementary Pension Reform introduced, benefits accrued up to 31 December 2006 will continue to remain within the Company as a defined benefit plan (with the obligation for accrued benefits subject to actuarial valuation). Amounts accruing as of 1 January 2007 are either paid into supplementary pension funds or transferred by the Company to the treasury fund managed by the Italian National Social Security Institute (INPS) and are considered a defined contribution plan from the time employees have exercised their choice; accordingly, these amounts are not subject to actuarial valuation.

Share-based payments

In accordance with IFRS 2, the Company classifies stock options as "share-based payments". Stock options that are "equity-settled" i.e. involving the physical delivery of the shares, are measured at the fair value at the grant date of the option rights assigned and recognised as a personnel expense to be spread evenly over the vesting period of the rights, with a corresponding reserve recognized within the shareholders' equity. This allocation is carried out based on the estimate of the rights that will actually allot to the person entitled, in consideration of their vesting conditions not based on the market value of the rights. In accordance with IFRIC 11 IFRS 2 - "Group and Treasury Shares Transactions", issued on 30 November 2006 and endorsed by the European Commission on 1 June 2007, stock options assigned by the company to employees of its direct and indirect subsidiaries are accounted for as equity-settled and are recognised as increases in the value of the equity investment, with a corresponding reserve recognized within the shareholders' equity.

Provisions for risk and charges

Provisions include costs and charges whose existence is either certain or probable, but whose amount or date of occurrence cannot be determined at the reporting date. These provisions have been made only when there is a current obligation, resulting from past events, that can be of a legal or constructive nature, or arising from declarations or behaviour by the Company that create valid expectations in the parties concerned (implicit obligations).

Provisions represent our best estimate of the amount that the company would have to pay in order to settle the obligation. When they are significant and the payment dates can be reliably estimated, the provisions are recognised at present values with the charges resulting from the passage of time recognized in the income statement under the item "Financial (Expenses)/Income".

Non-current financial liabilities

Non-current financial liabilities are recognised at amortised cost, using the effective interest rate method.

Current liabilities

Trade payables

Trade payables are recorded at their nominal amount, which is usually close to their amortised cost; Trade payables in non-UEM currencies are translated at the year-end spot rates reported by the European Central Bank.

Derivatives and hedge accounting

The Company enters into transactions to hedge the main financial risks associated with fluctuations in foreign exchange rates in connection with the acquisition, mainly by the indirect subsidiary R.T.I. S.p.A., of television broadcasting rights denominated in currencies other than the euro, in particular the US dollar.

Specifically, it makes use of derivative instruments (primarily forwards) in its business to hedge the foreign currency risk associated with highly probable forecast transactions and payables for purchases that have been concluded.

These contracts are purchased on the market to hedge the foreign currency risk associated with the purchase of television broadcasting rights, but do not qualify for hedge accounting under IFRS 9 in the company only financial statements of MFE - MEDIAFOREUROPE N.V. Accordingly, the fair value changes of these instruments are recognised as Financial (Expenses)/Income in the income statement.

The fair value of forwards is measured by discounting the difference between the notional amount translated at the forward rate of the contract, and the notional amount translated at the fair forward rate (the forward exchange rate measured at the reporting date).

The Company is exposed to financial risks related to changes in interest rates on medium/long term loans subject to floating interest rates.

In relation to the latter risk, if an interest rate hedge is considered effective pursuant to IRFS 9, the effective portion of the fair value change of the derivative that is designated a hedging instrument and is eligible for hedge accounting is recognised directly in shareholders' equity, while the ineffective part is recognised in the income statement. The shareholders' equity reserve will have an impact on the income statement when the cash flows of the hedged item attributed to the hedged risk are realised, that is, when interest is paid.

As stated earlier, hedging instruments and the models used to measure them are reported in the note “Disclosures on financial instruments and risk management policies”.

Revenue recognition

Revenue is recognised at the time of transfer of control of the promised goods or services to the customer.

Revenues are shown net of returns, discounts, allowances and premiums, as well as any directly linked tax charges.

Cost recoveries are shown as a direct reduction of the related costs.

Cost recognition

All costs that have a direct causal link to the revenues for the year, which can be identified specifically or based on hypotheses and assumptions, are recognised during the year. When there is no direct relationship, all costs that have been spread over time on a rational systematic basis are accrued.

Financial income and borrowing costs

Financial income and expenses are recognised in the income statement on an accrual basis.

Income taxes

Current income taxes are recognised on the basis of the determination of taxable income in accordance with current tax rates and provisions currently in force, or essentially approved, at the end of the reporting period, taking into account any applicable exemptions and tax credits due.

Deferred tax assets and liabilities are calculated based on the temporary differences between the balance sheet value of assets and liabilities and the corresponding tax base, on the basis of the tax rates in force at the time when the temporary differences will reverse. When the accounting effects of a transaction are recognised directly to shareholders' equity, the corresponding current and deferred taxes are recognised in shareholders' equity accordingly.

MFE - MEDIAFOREUROPE N.V. serves as the tax-consolidating entity for all Group companies that have exercised the option to apply the tax consolidation regime under Articles 117 et seq. of the Consolidated Income Tax Act. In this sense, the IRES-taxable income attributable to each of the companies participating in the consolidation has been aggregated by the tax-consolidating entity to determine the “Total global income”.

Based on the tax consolidation agreements entered into between the parties, the consolidating entity only remunerates losses made by subsidiaries if they are considered recoverable within the forecast future taxable income generated by the Group within the scope of tax consolidation.

Impairment testing also takes into consideration the effects of the main temporary differences for which deferred tax assets and liabilities have been recorded.

Deferred tax assets and liabilities are offset when it is lawful to offset current tax assets and liabilities, when they refer to taxes due to the same Tax Authority, and when the Company intends settling the current tax assets and liabilities on a net basis.

In the case of any changes in the carrying amount of deferred tax assets and liabilities arising from a change in tax rates or the related legislation, rules or regulations, the resulting effect is recognised in the income statement, unless they relate to items that have previously been debited or credited to shareholders’ equity.

Dividends paid

Dividends payable are shown as a change in shareholders' equity for the year in which their distribution is approved by shareholders at the annual general meeting.

Dividend income

Dividend income earned on equity investments is recognised in the income statement at the time the entitlement to a pay-out arises.

Foreign exchange gains and losses

At the annual general meeting for the approval of the financial statements and the allocation of earnings, any net gains from the translation of foreign currency items at year-end exchange rates that are not absorbed to cover losses are allocated to a non-distributable reserve until their subsequent realisation.

Unrealised foreign exchange gains and losses are remeasured at the end of every year. If an overall net foreign exchange gain is found that is higher than the relative shareholders' equity reserve, the difference is added to the reserve. If a foreign exchange loss is found or a net gain that is lower than the reserve amount, the entire reserve or the surplus is released and reclassified as distributable when preparing the financial statements.

USE OF ESTIMATES

In preparing the financial statements and the Explanatory notes to the financial statements, management is required to make estimates and judgements mainly necessary to measure certain assets and liabilities and evaluate contingent assets and liabilities. The application of accounting policies requires Judgments that impact the amount recognised. Additionally amounts recognised are based on factors that are by default associates with uncertainty. Where applicable, the estimates and judgments are described per note within the financial statements.

In particular, the current macroeconomic environment has determined that estimates of future developments have been prepared considering this degree of uncertainty.

The main estimates relate to the measurement of the recoverable amount of tax assets recognised, and of the investments in subsidiaries, associates and joint ventures, as well as provisions.

The estimates and assumptions above are periodically revised and the impacts of each change are recognised in the income statement.

CHANGES IN ACCOUNTING ESTIMATES

In accordance with IAS 8, these items are recognised in the income statement on a prospective basis starting from the accounting period in which they are adopted.

EU-endorsed IFRS accounting standards, amendments and interpretations not yet mandatory and not adopted early by the Company

The standards endorsed but not yet applicable at the date of preparation of these financial statements are listed below. The Company does not intend to adopt these principles early. The directors do not expect the adoption of these amendments to have any significant effect on the Company's financial statements.

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". These amendments aim to clarify how current and non-current payables and other liabilities are classified. The amendments also enhance the information that an entity must disclose when its right to defer settlement of a liability for at least 12 months is subject to compliance with certain parameters (i.e., covenants). The amendments 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 Company's financial statements.

On 22 September 2022, the IASB issued an amendment called "Amendments to IFRS 16 Leases: 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 Company's financial statements.

New IFRS accounting standards, interpretations and amendments not yet endorsed by the EU

The standards not yet endorsed at the date of preparation of these financial statements are listed below. The Company is still assessing the impact of these amendments on its financial position or operating results, in so far as they are applicable.

On 25 May 2023, the IASB published an amendment entitled "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 apply from 1 January 2024.

On 15 August 2023, the IASB published an amendment entitled "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". These amendments require entities to ensure that a methodology is consistently applied to ascertain whether one currency can be exchanged into another and, when this is not possible, how the exchange rate should be determined and disclosed in the notes to the financial statements. The amendments apply from 1 January 2025, but early adoption is permitted.

The directors are currently evaluating the possible effects of the introducing these amendments for the Company's consolidated financial statements.

4. OTHER INFORMATION

Cross-border merger of MES into MFE

During the first six months of the year, the joint project for the cross-border merger by incorporation of Mediaset España Comunicación ("MES") (the incorporated 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 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 15,539 thousand. The acquisition price factored in a total discount of 4.04% per year as compared to the settlement price for the withdrawal right of EUR 3.2687 per MES share. This is because the acquisitions were concluded before payment was made to the MES shareholders exercising their withdrawal on account of not approving the Merger.

On **30 March 2023** in Madrid, MFE-MEDIAFOREUROPE N.V., Sucursal en España was incorporated with its address for tax purposes at Carretera de Fuencarral a Alcobendas 4, 28050 Madrid.

On **28 April 2023**, all conditions precedent 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% shareholding in ProSiebenSat.1 Media SE and the financial assets and liabilities related to that investment) in favour of GA Mediaset.
- MES paid out a total settlement of EUR 56,054 thousand 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 joint cross-border merger project, 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 swap with former MES shareholders other than MFE and MES itself. Given the swap rate of EUR 0.4176 allocated to the new MFE A-class shares, the investment in MES increased in value by EUR 92,262 thousand. As a consequence, the subscribed and paid-up share capital of MFE increased from EUR 800,313 thousand to EUR 813,569 thousand.

As a result of the cross-border merger by incorporation, the investment in MES was eliminated in the amount of EUR 1,338,083 thousand.

As a result of completing these corporate transactions, the Group's controlling interest in MES assets prior to the Merger went from 82.92% on 31 December 2022 to 100% during the first half of the year.

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 in MFE's portfolio were also cancelled, with MFE's issued share capital reduced accordingly.

As a result of the merger, MFE – through MFE-MEDIAFOREUROPE N.V., Sucursal en España – now holds a 100% stake in Spanish subsidiary GAM Grupo Audiovisual Mediaset Espana Comunicazion S.A.U. for a total value of EUR

827,156 thousand. The value of equity investment also includes EUR 272,320 thousand related to the merger deficit that management decided to allocate as higher value to the main asset of the Company. For more details on the assets and liabilities incorporated as a result of the merger, see the section "Cross-border merger by incorporation."

Reverse split of A-class ordinary shares and B-class ordinary shares, and simultaneous reduction of share capital

On **14 June 2023**, MFE A-class ordinary shares, each with a par value of EUR 0.06 and carrying one voting right each, 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).

On 23 October 2023, MFE - MEDIAFOREUROPE NV, in implementation of the resolution passed at the Shareholders' Meeting of 7 June of last year, effected a reverse split of A-class ordinary shares and B-class ordinary shares, whereby:

- every 5 A-class Ordinary Shares were consolidated into 1 new A-class Ordinary Share, with the par value of each new A-class Ordinary Share being maintained at the pre-reverse split value of EUR 0.06;
- every 5 B-class Ordinary Shares were consolidated into 1 new B-class Ordinary Share, with the par value of each new B-class Ordinary Share being maintained at the pre-reverse split value of EUR 0.60.

As a result of this transaction, the ISIN codes of the ordinary shares also changed. Namely, MFE A-class shares changed their ISIN code from NL0015000MZ1 to NL0015001OI1 and MFE B-class shares from NL0015000N09 to NL0015001OJ9.

To ensure that the number of ordinary shares before the reverse split was divisible by 5 (for a ratio of 5:1 shares), MFE purchased 4 MFE A-class shares and 4 MFE B-class shares and then cancelled them on the effective date of the reverse split.

To protect the par values of its A-class and B-class ordinary shares, MFE reduced its share capital by EUR 646,598 thousand, offset through an increase in the Share Premium Reserve. The new share capital is EUR 161,649 thousand, represented by 331,701,776 new A-class shares each with a par value of EUR 0.06 and 236,245,512 B-class ordinary shares each with a par value of EUR 0.60.

The Company also made changes to its management's share incentive plans from that date onwards, considering the new number of Ordinary Shares following the reverse split.

Dealings with: subsidiaries, associates, holding companies, affiliates and other related parties

On 9 November 2010, the Board of Directors resolved to adopt the "Procedure for transactions with related parties", drawn up according to the principles indicated in the "Regulation containing provisions on transactions with related parties" adopted by Consob with resolution No. 17221 of 12 March 2010.
The procedure, which is published on the Company's website (www.mediaset.it/investor/governance/particorrelate_it.shtml), sets the rules for identifying, approving, executing and disclosing related-party transactions carried out by MFE - MEDIAFOREUROPE N.V., directly or through subsidiaries, in order to ensure their transparency and substantive and procedural correctness, as well as establishing the cases where these rules do not apply.

The following tables show the breakdown of financial and business dealings with subsidiaries, associates, holding companies, affiliates and other related parties, which were conducted at arm's length conditions.

(values in EUR thousand)

RECEIVABLES AND FINANCIAL ASSETS	Receivables and other non-current financial assets	Trade receivables	Other receivables and current assets	Intercompany financial receivables	Other current financial assets
Subsidiaries - Mediaset Group					
R.T.I. - Reti Televisive Italiane S.p.A.	-	101	17,276		1,541
Medusa Film S.p.A.		16	1,323		
Publitalia ’80 S.p.A.		88	13,095		
Digitalia '08 S.r.l.		29	2,888	2,811	
Elettronica Industriale S.p.A.		3	2,710		
Monradio S.r.l.		5		9,302	
RadioMediaset S.p.A.		7	807	70,731	
Radio Studio 105 S.p.A.		7	2,741		
Virgin Radio Italy S.p.A.		5			
RMC Italia S.p.A.		4		6,756	
GAM - GRUPO AUDIOVISUAL MEDIASET ESPAÑA COMUNICACIÓN, S.A.U.			17,031		
Radio Subasio S.r.l.		5	416	1,351	
Radio Aut S.r.l.		1	3		
Mediaset S.p.A.		7	37	7,524	
Beintoo S.p.A.			120	2,201	
Associates - Mediaset Group					
Boing SpA				865	

(values in EUR thousand)

PAYABLES AND FINANCIAL LIABILITIES	Non-current financial payables and liabilities	Trade payables	Other payables and current liabilities	Intercompany financial payables	Other current financial liabilities
Fininvest Group - Parent company					
Fininvest S.p.A.		20			
Subsidiaries - Mediaset Group					
R.T.I. - Reti Televisive Italiane S.p.A.	5,066	1,785	158,933	152,071	2,868
Medusa Film S.p.A.				11,993	
Publieurope Ltd.		8		9,789	
Publitalia '80 S.p.A.			11,799	181,163	
Digitalia '08 S.r.l.			5		
Elettronica Industriale S.p.A.			12,277	76,896	
Monradio S.r.l.			2,330		
Radio Studio 105 S.p.A.				15,968	
Virgin Radio Italy S.p.A.			404	9,260	
RMC Italia S.p.A.			907		
GAM - GRUPO AUDIOVISUAL MEDIASET ESPAÑA COMUNICACIÓN, S.A.U.		22	4,310	245,435	
Radio Subasio S.r.l.			22		
Radio Aut S.r.l.			60	1,082	
Mediaset S.p.A.		244	3,891		
MFE Advertising S.p.A.			5	101	
Associates - Mediaset Group					
Fascino Produzione e Gestione Teatro S.r.l.				38,228	
Boing SpA			322		
Mediamond SpA				924	
Adtech Ventures S.p.A.				43	
Mediaset Group - Affiliates					
Fininvest Group - Affiliates					
Mondadori Retail S.p.A.		6			
Mediobanca S.p.A.			16		
Alba Servizi Aerotrasporti S.p.A.		2			
Other related parties					
Key management personnel			9,107		

(values in EUR thousand) **REVENUES AND COSTS**	**Operating revenues**	**Operating costs**	**Financial expenses**	**Financial income**	**(Expenses/income) from equity investments**
Fininvest Group - Parent company					
Fininvest S.p.A.		505			
Subsidiaries - Mediaset Group					
R.T.I. - Reti Televisive Italiane S.p.A.	311	(440)	32,073	47,169	
Medusa Film S.p.A.	62		2,917		
Publieurope Ltd.		15	346		
Publitalia '80 S.p.A.	353	-	6,320		
Digitalia '08 S.r.l.	117		505	24	
Elettronica Industriale S.p.A.	10		7,328		
Monradio S.r.l.	19			579	
RadioMediaset S.p.A.	29			3,628	
Radio Studio 105 S.p.A.	27		475		
Virgin Radio Italy S.p.A.	18		259		
RMC Italia S.p.A.	17			310	
GAM - GRUPO AUDIOVISUAL MEDIASET ESPAÑA COMUNICACIÓN, S.A.U.		22	3,342	1,956	
Radio Subasio S.r.l.	20		21	66	
Radio Aut S.r.l.	2		30		
Mediaset Investment N.V.					1,309
Mediaset S.p.A.	26	801	196	216	18,000
Beintoo S.p.A.				82	
MFE Advertising S.p.A.			1		
Associates - Mediaset Group					
Fascino Produzione e Gestione Teatro S.r.l.		-	927		
Boing SpA		(4)	48	44	
Mediamond SpA			104	40	
EI Towers S.p.A.					19,600
Adtech Ventures S.p.A.			1		
Mediaset Group - Affiliates					
ProSiebenSat.1 MEDIA SE					3,323
Fininvest Group - Affiliates					
Mondadori Retail S.p.A.		6			
Mediobanca S.p.A.		(8)	2,171		
Alba Servizi Aerotrasporti S.p.A.		10			
Other related parties					
Key management personnel		1,875			

The most significant transactions between MFE - MEDIAFOREUROPE N.V. and related parties, summarised in the above tables, concerned:

- EUR 905 thousand in income for the supply of intercompany treasury and finance services (of which EUR 353 thousand from Publitalia '80 S.p.A. and EUR 220 thousand from R.T.I. S.p.A.);
- licensing of the Fininvest trademark by the parent company Fininvest S.p.A. for a total of EUR 465 thousand;
- EUR 1,461 thousand to indirect subsidiary RTI S.p.A. and EUR 801 thousand to Mediaset S.p.A. for the supply of staff services governed by intercompany contracts to indirect subsidiary RTI S.p.A.;

In 2023, intercompany dealings also concerned the management of equity investments, which during the year involved the collection of a dividend from the subsidiary Mediaset S.p.A. in the amount of EUR 66,000 thousand (of which only EUR 18,000 thousand carried through the income statement), EUR 19,600 thousand from joint venture EI Towers S.p.A. and EUR 3,323 thousand from subsidiary ProSiebenSat.1 Media SA.

MFE - MEDIAFOREUROPE N.V. provides centralised treasury services for the management of financial assets involving the use of intercompany cash-pooling, which generated interest income from the following direct and indirect subsidiaries:

- R.T.I. S.p.A. - EUR 13,078 thousand;
- RadioMediaset S.p.A. - EUR 3,628 thousand;
- Monradio S.r.l - EUR 579 thousand;
- RMC Italia S.p.A. - EUR 310 thousand;
- Beintoo S.p.A. - EUR 82 thousand;
- Mediaset S.p.A. - EUR 216 thousand.
- Digitalia 08 S.r.l. - EUR 24 thousand;
- Radio Subasio S.r.l. - EUR 66 thousand;

During the year, interest fell due to the following direct and indirect subsidiaries:

- R.T.I. S.p.A. - EUR 49 thousand;
- Medusa Film S.p.A. - EUR 2,917 thousand;
- Publieurope Ltd - EUR 346 thousand;
- Publitalia '80 S.p.A. - EUR 6,320 thousand;
- Digitalia '08 S.r.l. - EUR 505 thousand;
- Elettronica Industriale - EUR 7,328 thousand;
- Radio Studio 105 S.p.A. - EUR 475 thousand;
- Virgin Radio Italy S.p.A. - EUR 259 thousand;
- Radio Subasio S.r.l. - EUR 21 thousand;
- Radio Aut S.r.l. - EUR 30 thousand;
- GAM Grupo Audiovisual Mediaset Espana Comunicacion S.A.U. - EUR 3,342 thousand;
- MFE Advertising S.p.A. - EUR 1 thousand.
- Mediaset S.p.A. - EUR 196 thousand.

Please note that interest expense is calculated only if the average Euribor one-month plus spread is greater than zero.

In accordance with IAS 24, compensation payable to directors is reported in the caption "Other related parties".

As required by IAS 24, further details on the compensation of key management personnels that includes the remuneration to the company's Directors are provided in the table below and in the Remuneration Report section of this Annual Report.

The difference between the cost indicated above for key management personnel and the compensation indicated in the table below is explained by payments order in favour of other related parties, membership fees due by the Company on behalf of some Directors and compensation paid to Directors by subsidiaries and associates.

2023

Short-term benefits

Name	Position at MFE	Fixed Compensation in MFE. *	Compensation for participation in MFE committees	Fixed compensation – Subsidiaries and associates		Compensation for participation in subsidiaries' and associates' committees	Variable incentive scheme	Other variable compensation (bonuses)	In-kind benefits	Pension Schemes***	Fair value of equity compensation	Total
Pier Silvio Berlusconi	CHIEF EXECUTIVE OFFICER	1,040,000		384,954	*		620,000		19,950	113,704	319,321	2,497,929
Marco Angelo Giordani	EXECUTIVE DIRECTOR	40,000		1,152,571	*	24,000	248,000		9,465	448,247	127,729	2,050,012
Gina Nieri	EXECUTIVE DIRECTOR	40,000		1,102,387	*	16,000	179,251		9,005	412,891	95,796	1,855,330
Niccolo' Querci	EXECUTIVE DIRECTOR	40,000		1,195,468	*	20,000	276,660		13,231	478,738	51,889	2,075,987
Stefano Guido Sala	EXECUTIVE DIRECTOR	40,000		1,902,388	*		460,126		19,935	687,857	287,389	3,397,696
		1,200,000	**-**	**5,737,768**		**60,000**	**1,784,037**		**71,587**	**2,141,437**	**882,124**	**11,876,953**
Fedele Confalonieri	NON-EXECUTIVE DIRECTOR (Chair)	60,000		1,901,250	-	28,000			15,397	18,163		2,022,810
Stefania Bariatti	NON-EXECUTIVE DIRECTOR	40,000	50,000		-		-	-	-	3,600		93,600
Marina Berlusconi	NON-EXECUTIVE DIRECTOR	40,000		-	-	-	-	-	-	6,400		46,400
Marina Brogi	NON-EXECUTIVE DIRECTOR	40,000	70,000	-	-	-	-	-	-	4,464		114,464
Raffaele Cappiello	NON-EXECUTIVE DIRECTOR	40,000	20,000	-	-	-	-	-	-	2,552		62,552
Costanza Esclapon De Villeneuve	NON-EXECUTIVE DIRECTOR	40,000	30,000	-	-	-	-	-	-	-		70,000
Giulio Gallazzi	NON-EXECUTIVE DIRECTOR	40,000	20,000	-	-	-	-	-	-	14,016		74,016
Danilo Pellegrino**	NON-EXECUTIVE DIRECTOR	40,000								-		40,000
Alessandra Piccinino	NON-EXECUTIVE DIRECTOR	40,000	50,000	-	-	-	-	-		14,400		104,400
Carlo Secchi	NON-EXECUTIVE DIRECTOR	40,000	40,000	-	-	-	-	-	-	12,800		92,800
		420,000	**280,000**	**1,901,250**		**28,000**	**-**	**-**	**15,397**	**76,396**	**-**	**2,721,043**
		1,620,000	**280,000**	**7,639,018**		**88,000**	**1,784,037**		**86,984**	**2,217,833**	**882,124**	**14,597,996**

**It includes the Fixed Remuneration as an employee, the Non-Competition Agreement and the emoluments received in subsidiaries of MFE
** Payment order in favour of Fininvest Spa
*** (for Groups' employees) including TFR severance indemnity equal to 6.90% of the total compensation as established by Italian law

For better understanding the details for the previous year are represented in the table below:

2022

Name	Position at MFE	Fixed compensation – Mediaset MFE*	Compensation from participation in Committees in MFE	Fixed compensation – Subsidiaries and associates	Compensation for participation in subsidiaries' and associates' committees	Variable incentive scheme	Other variable compensation (bonuses)	In-kind benefits	Pension Schemes***	Fair value of equity compensation	Total
Pier Silvio Berlusconi	CHIEF EXECUTIVE OFFICER	1,040,000		370,163*		408,125		19,453	107,660	306,736	2,252,138
Marco Angelo Giordani	EXECUTIVE DIRECTOR	40,000		1,124,650*	80,000	242,750		10,510	455,985	122,695	2,076,589
Gina Nieri	EXECUTIVE DIRECTOR	40,000		1,073,851*	52,000	186,564		9,029	415,402	92,021	1,868,867
Niccolo' Querci	EXECUTIVE DIRECTOR	40,000		1,164,020*	68,000	291,591		13,199	475,558	49,845	2,102,212
Stefano Guido Sala	EXECUTIVE DIRECTOR	40,000		1,827,857*		465,189		19,965	698,657	276,063	3,327,731
		1,200,000	**-**	**5,560,540**	**200,000**	**1,594,219**		**72,156**	**2,153,262**	**847,359**	**11,627,537**
Fedele Confalonieri	NON-EXECUTIVE DIRECTOR (CHAIRMAN)	60,000		1,875,000	80,000			15,389	16,802		2,047,191
Stefania Bariatti	NON-EXECUTIVE DIRECTOR	40,000	50,000						2,700		92,700
Marina Berlusconi	NON-EXECUTIVE DIRECTOR	40,000							6,400		46,400
Marina Brogi	NON-EXECUTIVE DIRECTOR	40,000	70,000						2,213		112,213
Raffaele Cappiello	NON-EXECUTIVE DIRECTOR	40,000	20,000						1,200		61,200
Costanza Esclapon De Villeneuve	NON-EXECUTIVE DIRECTOR	40,000	30,000								70,000
Giulio Gallazzi	NON-EXECUTIVE DIRECTOR	40,000	20,000						13,070		73,070
Danilo Pellegrino**	NON-EXECUTIVE DIRECTOR	40,000									40,000
Alessandra Piccinino	NON-EXECUTIVE DIRECTOR	40,000	50,000						7,200		97,200
Carlo Secchi	NON-EXECUTIVE DIRECTOR	40,000	40,000						16,802		96,802
		420,000	**280,000**	**1,875,000**	**80,000**	**-**		**15,389**	**67,388**	**-**	**2,736,776**
		1,620,000	**280,000**	**7,435,540**	**280,000**	**1,594,219**		**87,545**	**2,219,650**	**847,359**	**14,364,313**

Treasury shares

At 31 December 2023, the value of the treasury shares acquired under the shareholder resolutions adopted at the annual general meetings of 16 April 2003, 27 April 2004, 29 April 2005, 20 April 2006, 19 April 2007 and 29 April 2021, totalled EUR 358,035 thousand (EUR 390,734 thousand at 31 December 2022), which is equivalent to 7,724,109 MFE B-class shares, earmarked to service approved incentive and buyback plans.

In implementation of the resolution passed by the shareholders' general meeting of 7 June 2023, the reverse stock split of "A"-class and "B"-class ordinary shares was performed on 23 October 2023, whereby every 5 A-class and B-class Shares were merged into 1 new A-class B-class share respectively, with their par value unchanged. Following this operation, 7 MFE B-class shares held in the portfolio were sold to ensure that the number of ordinary shares before the reverse split was divisible by 5 (for a reverse split ratio of 5:1).

On 24 May 2023, the relevant court issued a statement of non-opposition from creditors under Dutch law and, therefore, all 88,707,693 MFE A-class shares were also cancelled, with MFE's share capital reduced was accordingly as resolved by the extraordinary shareholders' meeting of 15 March 2023.
The MFE A-class shares had been purchased under the share buyback programme announced to the market on 20 July 2022, which was initiated on 25 July 2022 and completed on 30 November 2022. This programme aimed to reduce the share capital and was carried out pursuant to Article 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014.
During the year, 3,469 MFE B-class treasury shares were allocated to former shareholders of Videotime S.p.a., a company merged by incorporation into MFE (then Mediaset S.p.A.) on 1 March 2018 in a share deal.

Stock option plans – share-based payments

At 31 December 2023, medium/long-term incentive plans assigned for the years 2021, 2022 and 2023 were recognised in the financial statements for the purposes of IFRS 2.

The plans that had an impact on the income statement are those that can be exercised and which, at the reporting date, have not yet been concluded, or those that have vested during the year.

All the plans are equity-settled; that is, they involve the delivery of treasury shares bought back from the market.

Options and the free allocation rights granted to the employee beneficiaries are linked to the Group's achievement of financial performance targets and the employee remaining with the Group for a certain length of time.

Following the 5:1 reverse split of MFE A-class and MFE B-class ordinary shares carried out on 23 October 2023 and notified to the market on the same date, the Company's Board of Directors made a series of decisions aimed at adjusting the economic terms and conditions of the "Medium/Long-Term Incentive and Loyalty Plan for the years 2021, 2022 and 2023 for the Delegated Bodies and Certain Management Personnel of the MFE Group," which had been approved at the Shareholders' Meeting of 23 June 2021. In doing so, the number of shares underlying the rights awarded under the Plan and the reference price thereof were adjusted at the same rate as the reverse split in accordance with the regulations governing the Plan. Therefore, the new fair value of the incentive plans was calculated based on the stock market price on the grant date, multiplied by 5.

As a result of this reverse split, the ISIN codes of MFE A-class and MFE B-class shares changed from NL0015000MZ1 to NL0015001OI1 and from NL0015000N09 to NL0015001OJ9 respectively.

The details of the incentive plans can be summarised as follows:

	Incentive plan 2021 (*)	Incentive plan 2022 (*) MFE A-class shares	Incentive plan 2022 (*) MFE B-class shares	Incentive plan 2023 (*) MFE A-class shares	Incentive plan 2023 (*) MFE B-class shares
Grant date	14/09/2021	14/07/2022	14/07/2022	01/08/2023	01/08/2023
Vesting Period	from 01/01/2021	from 01/01/2022	from 01/01/2022	from 01/08/2023	from 01/08/2023
	to 31/12/2023	to 31/12/2024	to 31/12/2024	to 31/08/2026	to 31/08/2026
Exercise period	01/10/2024	01/08/2025	01/08/2025	01/09/2026	01/09/2026
Fair Value	**12.665**	**2.0770**	**3.0370**	**2.3885**	**3.4625**

(*) Medium/long-term incentive plans with free granting of shares to beneficiaries

Below is a summary of the changes to the medium/long-term incentive plans:

	Incentive plan 2019 (*)	Incentive plan 2021 (*)	Incentive plan 2022 - MFE A (*)	Incentive plan 2022 - MFE B (*)	Incentive plan 2023 - MFE A (*)	Incentive plan 2023 - MFE B (*)	Total
Options outstanding at 1/1/2022	1,777,625	1,823,852	-	-	-	-	3,601,477
Options issued during the year		-	5,625,698	3,780,598	-	-	9,406,296
Options exercised during the year	(1,777,625)	-	-	-	-	-	(1,777,625)
Options outstanding at 31/12/2022	**-**	**1,823,852**	**5,625,698**	**3,780,598**	**-**	**-**	**11,230,148**
Options outstanding at 1/1/2023	-	1,823,852	5,625,698	3,780,598	-	-	11,230,148
Reverse stock split (1 new share for every 5 old shares)		(1,459,082)	(4,500,569)	(3,024,492)	(4,056,349)	(2,904,092)	(15,944,584)
Options issued during the year	-	-	-	-	5,070,414	3,630,102	8,700,516
Options exercised during the year	-	-	-	-	-	-	-
Options outstanding at 31/12/2023	**-**	**364,770**	**1,125,129**	**756,106**	**1,014,065**	**726,010**	**3,986,080**

The incentive plans are recognised in the financial statements at their fair value:

- Plan 2021: changed from EUR 2.533 to EUR 12.665 per option;
- Plan 2022: changed from EUR 0.4154 to EUR 2.077 per MFE A-class option;
- Plan 2022: changed from EUR 0.6074 to EUR 3.037 per MFE B-class option;
- Plan 2023: changed from EUR 0.4777 to EUR 2.3885 per MFE A-class option;
- Plan 2023: changed from EUR 0.6925 to EUR 3.4625 per MFE B-class option;

The fair value of the incentive plans was calculated based on the stock market price of MFE A-class and MFE B-class shares on the grant date, and was amended following the reverse stock split of 23 October 2023.

Tax consolidation

The following companies are consolidated for tax purposes under the tax consolidation regime adopted by MFE - MEDIAFOREUROPE N.V.:

- For the three-year period 2021/2023: R.T.I. S.p.A., Radio Aut S.r.l. and Radio Subasio S.r.l..
- for the three-year period 2022/2024: Monradio S.r.l., Mediaset S.p.A., Radio Studio 105 S.p.A., RMC Italia S.p.A., Virgin Radio Italy S.p.A. and RadioMediaset S.p.A.;
- For the three-year period 2023/2025: Elettronica Industriale S.p.A., Publitalia '80 S.p.A., Medusa Film S.p.A., Digitalia '08 S.r.l., Boing S.p.A. and MFE Advertising S.p.A..

During the year, subsidiary MFE Advertising S.p.A., incorporated on 5 June 2023, joined the tax consolidation scheme.

Cross-border merger by incorporation

During the first six months of 2023, the project for the cross-border merger by incorporation of Mediaset España Comunicación SA (the mergee company) into MFE MediaForEurope NV (the merger company) was completed after its approval by the boards of directors and extraordinary shareholders' meetings of both companies held on 30 January 2023 and 15 March 2023.

The certificate of merger was signed on 2 May 2023 and came into force on 3 May 2023.

As at the merger date, the values were as follows (EUR thousands):

Mediaset España Comunicación SA merger	1 January 2023
Assets acquired (A)	**1,157,713**
Investments in "GAM" subsidiaries	554,835
Investments in other "ProsiebenSat" companies	256,491
Hedging derivatives	2,126
Cash and cash equivalents	344,261
Liabilities acquired (B)	**(91,950)**
Hedging derivatives	(11,522)
Non-current borrowings	(24,374)
Debt for right of withdrawal	(56,054)
Net assets acquired (C=A+B)	**1,065,763**
Investments in Mediaset España Comunicación (D)	1,338,083
Merger deficit (D-C)	**272,320**

As previously stated, the merger deficit of EUR 272,320 thousand has been allocated as higher value to the equity investment in GAM Grupo Audiovisual Mediaset Comunicacion S.A.U.

Management and coordination activities

MFE - MEDIAFOREUROPE N.V. is subject to the de facto control of Fininvest S.p.A., as the latter owns 48.57% of the Company's share capital. On 4 May 2004, Fininvest notified the Company that pursuant to Article 2497 et seq of the Italian Civil Code, it would not conduct the management and coordination of MFE - MEDIAFOREUROPE N.V. The Company acknowledged Fininvest's notification at the Board of Directors' meeting of 11 May 2004. The above notification from Fininvest is still applicable as MFE - MEDIAFOREUROPE N.V. defines its own strategies independently and has total organisational, operational and negotiating autonomy, because Fininvest does not oversee or coordinate its business operations. Specifically, Fininvest does not issue any directives to MFE - MEDIAFOREUROPE N.V. nor does it provide assistance or technical, administrative or financial coordination on behalf of MFE and its subsidiaries.

NOTES ON MAIN ASSET ITEMS

5. NON-CURRENT ASSETS

5.1 Property, plant and equipment

The changes for the year, historical cost, accumulated amortisation and depreciation and impairment and net carrying amount are shown below.

Historical cost	Land and building	IFRS 16 leases - Property leases	Plant and equipment	Ind./Comm. equipment	IFRS 16 leases - Car rentals	Other tangible assets	Assets in progress	Total
01/01/2022	-	-	-	-	-	-	-	**-**
Additions	-	-	-	-	37	-	-	37
31/12/2022	-	-	-	-	37	-	-	**37**
Additions	-	-	-	-	39	-	-	39
31/12/2023	-	-	-	-	75	-	-	**75**

Accumulated depreciation and impairment	Land and building	IFRS 16 leases - Property leases	Plant and equipment	Ind./Comm. equipment	IFRS 16 leases - Car rentals	Other tangible assets	Assets in progress	Total
01/01/2022	-	-	-	-	-	-		**-**
Personnel expenses	-	-	-	-	10	-		10
31/12/2022	-	-	-	-	10	-		**10**
Personnel expenses	-	-	-	-	12	-		12
31/12/2023	-	-	-	-	22	-		**22**

Net book value	Land and building	IFRS 16 leases - Property leases	Plant and equipment	Ind./Comm. equipment	IFRS 16 leases - Car rentals	Other tangible assets	Assets in progress	Total
01/01/2022	-	-	-	-	-	-	-	**-**
Additions	-	-	-	-	37	-	-	37
Personnel expenses	-	-	-	-	(10)	-	-	(10)
31/12/2022	-	-	-	-	27	-	-	**27**
Additions	-	-	-	-	39	-	-	39
Personnel expenses	-	-	-	-	(12)	-	-	(12)
31/12/2023	-	-	-	-	54	-	-	**54**

This item amounts to EUR 54 thousand and refers to IFRS 16 leases in relation to employee car rentals.

5.5 Equity investments

Equity investments in direct and indirect subsidiaries

	31/12/23				31/12/22			
	Share capital interest	Shares	Stock option carrying amount	total	Share capital interest	Shares	Stock option carrying amount	total
Publiespaña S.A.	0%	-	45	45	0%	-	-	-
Mediaset Espana Comunicacion S.A.	0%	-	-	-	82.9166%	1,230,281	-	1,230,281
R.T.I. - Reti Televisive Italiane S.p.A.	0%	-	14,303	14,303	0%	-	13,064	13,064
Medusa Film S.p.A.	0%	-	1,896	1,896	0%	-	1,738	1,738
Publitalia '80 S.p.A.	0%	-	10,925	10,925	0%	-	9,535	9,535
Digitalia '08 S.r.l.	0%	-	119	119	0%	-	88	88
Elettronica Industriale S.p.A.	0%	-	111	111	0%	-	111	111
RadioMediaset S.p.A.	0%	-	364	364	0%	-	293	293
GAM - GRUPO AUDIOVISUAL MEDIASET ESPAÑA COMUNICACIÓN, S.A.U.	100%	827,156	141	827,296	0%	-	-	-
Mediaset Investment N.V.	0%	-	-	-	0%	245	-	245
Mediaset S.p.A.	100%	1,282,000	4,595	1,286,595	100%	1,330,000	2,940	1,332,940
MFE Advertising S.p.A.	100%	100	-	100	0%	-	-	-
Equity investments in subsidiaries		2,109,256	32,499	2,141,755		2,560,526	27,769	2,588,295
Total				**2,141,755**				**2,588,295**

The item totals EUR 2,141,755 thousand, which is down EUR 446,540 thousand on the previous year.

During the first six months of the year, the joint project for the cross-border merger by incorporation of Mediaset España Comunicación ("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 15,539 thousand. 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 transacted before payment was made to the MES shareholders exercising their withdrawal on account of not approving the Merger.

On 28 April 2023, all conditions precedent 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% shareholding in ProSiebenSat.1 Media SE and the financial assets and liabilities related to that shareholding) in favour of GA Mediaset.
- MES paid out a total settlement of EUR 56,054 thousand 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 joint cross-border merger project, 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 swap with former MES shareholders other than MFE and MES itself. Given the swap rate of EUR 0.4176 allocated to the new MFE A-class shares, the investment in MES increased in value by EUR 92,262 thousand. As a consequence, the subscribed and paid-up share capital of MFE increased from EUR 800,313 thousand to EUR 813,569 thousand.

As a result of the cross-border merger by incorporation, the investment in MES was eliminated in the amount of EUR 1,338,083 thousand.

As a result of completing these corporate transactions, the Group's controlling interest in MES assets prior to the Merger went from 82.92% on 31 December 2022 to 100% at the end of the first six months.

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 in MFE's portfolio were also cancelled, with MFE's issued share capital reduced accordingly.

As a result of the merger, MFE now holds a 100% stake in Spanish subsidiary GAM Grupo Audiovisual Mediaset Espana Comunicazion S.A.U. for a total value of EUR 827,156 thousand, of which EUR 272,320 thousand resulting from the allocation of the merger deficit.

The value of the investment in the subsidiary Mediaset S.p.A. went from EUR 1,330,000 thousand to EUR 1,282,000 thousand following the additional distribution of a dividend of EUR 48,000 thousand, utilised from the share premium reserve as per the shareholders' resolution of 28 April 2023.

On 5 June 2023, MFE-MEDIAFOREUROPE incorporated MFE Advertising S.p.A. as its sole shareholder for a total value of EUR 100 thousand. This company will coordinate the Group’s advertising sales in its various business territories.

During the year, the rights under the Medium/Long-term Incentive Plan allocated to employees of direct and indirect subsidiaries for 2021, 2022 and 2023 increased by a total of EUR 4,730 thousand.

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

No equity investments were identified for which the carrying amount would exceed the pro-rata amount of shareholders' equity and no other impairment indicators have been identified on the investments carrying amount.

Equity investments in associates and joint ventures

	31/12/2023				31/12/2022			
	Share capital interest	Shares	Stock option carrying amount	total	Share capital interest	Shares	Stock option carrying amount	total
Nessma SA	34.12%		-		34.123%		-	
Nessma Broadcast S.a.r.l.	32.27%	468	-	468	32.268%	468	-	468
EI Towers S.p.A.	40%	465,329	305	465,634	40%	465,329	305	465,634
ProSiebenSat.1 MEDIA SE	25.542%	513,846	-	513,846	0%	-	-	-
Equity investments in affiliates		979,642	305	979,947		465,797	305	466,101
Acc. impairment of equity investments in associates				(468)				(468)
Total				**979,479**				**465,634**

This item totals EUR 979,479 thousand, which is up EUR 513,846 thousand on the previous year. This is due to the ProSiebenSat.1 Media SE investment being reclassified from "Equity investments in other companies" during the year as a result of having met the first and most important presumptive indicator of significant influence set forth in IAS 28, namely that MFE was represented on the subsidiary's board of directors or equivalent body. On 30 June 2023, the Shareholders' Meeting of ProSiebenSat.1 Media SE resolved by majority vote to appoint 4 members (one of which an Executive of MFE) of the Supervisory Board, the company's policy-making and control body, with immediate effect.

In relation to this event, the 25.54% stake in share capital has been reclassified to Investments in associates and joint ventures and, from that date forward, will be measured at cost in accordance with IAS 27. The accumulated reserves generated up to that date as a result of the fair value changes compared to the initial values of the investment, which were included in shareholders' equity without reversal to profit and loss, were reclassified from to Retained earnings and Other reserves. The recognised amount of the investment in the associate was determined as the stock market price of the company at 30 June 2023, amounting to EUR 508,361 thousand, adjusted by all fair value changes recognised in accounts up to the cash settlement date of the reverse collar hedging the last tranche acquired in May 2023, amounting to EUR 5,485 thousand.

For the evaluation relating to the carrying amount of the investment in P7S1, please refer to paragraph 7.6 of the FS Statement.

The item also includes both the 40% shareholding in the associate EI Towers S.p.A. for a value of EUR 465,634 thousand, the 32.27% shareholding in the associate Nessma Broadcast S.a.r.l. and the 34.12% shareholding in the associate Nessma S.A., totalling EUR 468 thousand (reduced to nil by impairment during previous years).

With reference to EI Towers S.p.A., the recoverability of the carrying amount of the equity investment was confirmed by the value in use determined by the associate on the basis of the latest business plans.

Equity investments in other companies

	31/12/2023		31/12/2022	
	Share capital interest	**carrying amount**	**Share capital interest**	**carrying amount**
Kirch Media GmbH & Co. KGaA (in administration)	2.28%		2.28%	
Nessma Entertainment S.a.r.l.	0.00016%	-	0.00016%	-
ProSiebenSat.1 MEDIA SE	3.326%	42,883	11,822%	229,998
Total		**42,883**		**229,998**

The item totals EUR 42,883 thousand, a decrease of EUR 187,115 thousand on the previous year attributable to the investment in ProSiebenSat1 Media SE, a company with a broad shareholder base which is listed on the Frankfurt Stock Exchange.

On 19 May 2023, MFE acquired a further 9,000,000 shares in ProSiebenSat1 Media SE (3.863% of share capital) against a total consideration of EUR 68,823 thousand.

On 3 May, as a result of the cross-border merger by incorporation of Mediaset España Comunicación SA into MFE, an additional 30,717,500 shares were acquired in the German broadcaster with a fair value of EUR 8.35 each, making a total value of EUR 256,491 thousand.

On 30 June 2023, following the appointment of the MFE director on the subsidiary's supervisory board, as described in further detail under *"Investments in associates and joint ventures*", a total amount of EUR 508,361 thousand (representing 25.54% of share capital) was reclassified under investments in associates and measured at cost in accordance with IAS 27.

As regards the total holding of 3.326% in the share capital of ProSiebenSat1 Media SE at 30 June 2023, the accounting treatment under IFRS 9 continued to be applied given that, at 31 December 2023, the shares in ProSiebenSat 1 Media SE continued to be hedged against fair value fluctuations.

During the year, the value of the investment decreased by EUR 4,068 thousand due to the effects of the fair value measurement, which was offset through equity in the line item Valuation reserve.

This item also includes the 2.28% shareholding in the company Kirch Media GmbH & Co. and the 0.00016% shareholding in the company Nessma Entertainment S.a.r.l., which are unchanged compared to the previous year.

5.6 Receivables and other non-current financial assets

	31/12/2023			31/12/2022
	Total	**From 1 to 5 years**	**More than 5 years**	**Total**
Non-current receivables due from others	8,642	8,642	-	8,642
Non-current receivables due from parent companies				
>12-month forward derivatives with third parties	5,066	5,066	-	9,291
>12-month forward derivatives with subsidiaries	-	-	-	23
>12-month IRS derivatives with third parties	3,536	3,536	-	19,343
>12-month put option derivatives on equity instruments	-	-	-	6,812
Share collar derivatives (Call) - non-current portion (due over 12 months)	-	-	-	7,709
-	**17,243**	**17,243**	**-**	**51,820**

This item totals EUR 17,243 thousand, which is down EUR 34,577 thousand on the previous year.

The item comprises:

- EUR 8,642 thousand from non-current receivables due from others, of which EUR 8,500 thousand for receivables relating to two insurance policies with a minimum guaranteed return taken out in 2018 and 2019, and EUR 142 thousand in receivables from security deposits;
- EUR 5,066 thousand from the non-current portion of the fair value of derivative contracts entered into with Intesa Sanpaolo S.p.A. and B.B.V.A. to hedge risks resulting from fluctuations of foreign currencies in relation to highly probable future purchases, as well as payables for purchases already completed; the instruments have been entered into to hedge risks related to subsidiaries' operations;
- EUR 3,536 thousand from the non-current portion of fair value of nine interest rate derivative contracts (IRS) entered into with Intesa Sanpaolo S.p.A., UniCredit and BNP Paribas to hedge interest rate risk on the loans taken out in 2020 and 2022;

5.9 Deferred tax assets

The amount shown in the table corresponds to the balance sheet amount for the credit from deferred tax assets calculated on the basis of temporary differences between the assets and liabilities carrying amounts and their corresponding tax base, as well as tax loss carryforwards transferred from Group companies that participate to the national tax consolidation agreement.

Deferred tax assets are measured on the basis of the current tax rates applicable at the time the differences will reverse and are considered to be recoverable on the basis of taxable results that may be inferred from the Group's multi-year business plans for the Italian segment.

The following tables show the changes in the period and the break down of deferred tax assets at the end of the year:

	31/12/2023	31/12/2022
Opening balance	196,651	193,933
Deferred Tax charged to profit and loss	(480)	367
Deferred Tax charged to shareholders' equity	-	(56)
Other changes	(10,995)	2,406
Closing balance	**185,176**	**196,651**

	31/12/2023		31/12/2022	
	Total of temporary differences	**Tax effect**	**Total of temporary differences**	**Tax effect**
Deferred tax assets for:				
Directors' compensation	9,083	2,180	9,103	2,185
Taxes, charges and membership fees	34	8	79	19
Post-employment benefit plans	2	-	3	1
Provision for bad debts	4,961	1,191	6,897	1,655
IRS hedging reserve	-	-	-	-
Tax losses from tax consolidation	757,486	181,797	803,297	192,791
Total deferred tax assets	**771,566**	**185,176**	**819,379**	**196,651**

This item totals EUR 185,176 thousand, which is down EUR 11,475 thousand on the previous year.

The deferred tax asset recognised in the financial statements for the tax losses recognized under the Group's tax consolidation agreement decreased by a total of EUR 10,995 thousand.

The recognition of deferred tax assets is based on the forecasts of expected taxable income for future years. With particular reference to deferred tax assets recognised in relation to the tax losses that can be carried forward indefinitely accrued as part of the Group tax consolidation, the assessment of the eligibility and the recoverability period of the value at 31 December 2023 (equal to EUR 181,797 thousand, down EUR 10,995 thousand compared to the end of the previous year) was carried out by estimating the taxable IRES income of the tax consolidation on the basis of the following assumptions:

- pre-tax profit/loss of Italian operations following the tax consolidation in the 2024-2028 plans prepared on the basis of the assumptions approved by the Company's Board of Directors on 13 March 2024;
- estimates of tax changes, primarily relating to dividend income from subsidiaries and other investees, higher tax amortisation of pay broadcasting rights written down in 2018 and other tax-insignificant components of profit/loss;
- extrapolation of the taxable income over the period of the impairment plans, with hypotheses of growth and profit margins in line with the assumptions (long-term growth rate and cash flows used to terminate the terminal value) identified during impairment tests in the context of the Group's consolidated financial statements.

Based on this analysis, a recovery period in nearly a decade was determined and confirmed by applying specific discount factors, as recommended in the ESMA document dated 15 July 2019.

6. CURRENT ASSETS

6.2 Trade receivables

At the end of the year this item was broken down as follows:

	31/12/2023				31/12/2022
	Total	Due			
		In 1 year	From 1 to 5 years	More than 5 years	
Receivables from customers	1	1			1
Total net receivables from customers	**1**	**1**	**-**	**-**	**1**
Receivables from subsidiaries	277	277			337
Total	**278**	**278**	**-**	**-**	**338**

Receivables from customers

The item totals EUR 1 thousand, which is largely unchanged compared to the previous year.

Trade receivables from subsidiaries

Trade receivables from subsidiaries amount to EUR 277 thousand and mainly consisted of:

- EUR 226 thousand (of which EUR 88 thousand from Publitalia '80 S.p.A. and EUR 55 thousand from R.T.I. S.p.A.) for the supply of intercompany treasury and finance services;
- EUR 19 thousand for fees on bank sureties and guarantees granted in favour of subsidiaries;
- EUR 32 thousand for other receivables.

6.3 Tax receivables

This item was broken down as follows:

	31/12/23	31/12/22
Receivables from tax authorities for IRES tax from tax consolidation	10,403	12,926
Receivables from tax authorities for IRAP	419	627
Other receivables from tax authorities	6,348	6,436
Receivables from Spanish tax authorities	4,618	-
Total	**21,789**	**19,989**

The item amounts to a total of EUR 21,789 thousand, increasing by EUR 1,800 thousand compared to the previous year.

Details of the items are provided below:

Receivables from tax authorities for IRES tax from tax consolidation

The item amounts to a total of EUR 10,403 thousand and is made up as follows:

- EUR 10,397 thousand in tax receivables carried forward, recognised in the Group national tax consolidation scheme;
- EUR 6 thousand in receivables due as a result of the application for an IRES tax refund submitted in a capacity as consolidating entity for the deductibility of IRAP tax due on employee expenses and other staff for the five-year period 2007-2011 (Article 2, Paragraph 1-quater of Decree Law 201 of 6 December 2011).

Receivables from tax authorities for IRAP tax

The item amounts to EUR 419 thousand, which is down by EUR 208 thousand on the previous year, due to the effects of offsetting other tax payments.

Other receivables from tax authorities

The item totals EUR 6,348 thousand, which is down by EUR 88 thousand on the previous year.

This item refers to a tax receivable from the German financial authority for the withholding effected by investee ProSiebenSat.1 Media SA upon payment of the 2021 and 2022 dividends which, respectively, were recognised in the amount of EUR 5,531 thousand in 2022 and EUR 817 thousand in 2023).

Applications for reimbursement were filed with the relevant authorities and, during 2023, a EUR 905 thousand tax receivable was received from the German financial authorities for 2021.

Receivables from Spanish tax authorities

As a result of the cross-border merger by incorporation of Mediaset España Comunicación, S.A. into MFE MEDIAFOREUROPE N.V., the latter established a branch in Spain which, in accordance with domestic law, became the tax-consolidating entity for the purposes of the Spanish group's direct taxation.

This newly recognised item amounts to EUR 4,618 thousand and comprises the receivables due from the Spanish tax authority.

6.4 Other receivables and current assets

Below is a breakdown of the item:

	31/12/23	31/12/22
Receivables from employees		
Advances	56	21
Receivables from social security institutions		35
Receivables from others	20	20
Other receivables from subsidiaries	58,447	19,128
Prepaid expenses	647	610
Total	**59,170**	**19,813**

The item totals EUR 59,170 thousand, which is up by EUR 39,357 thousand on the previous year.

The item includes receivables falling due beyond 12 months for EUR 256 thousand.

The fair value of the receivables approximates their carrying amount.

Details of the main items are provided below.

Other receivables from subsidiaries

The item amounts to a total of EUR 58,447 thousand and is made up as follows:

- EUR 19,066 thousand for the IRES tax receivable resulting from tax consolidation in relation to subsidiaries that participate in the Group's tax burden pursuant to the agreement to exercise the option to use the national tax consolidation scheme, including EUR 13,095 thousand from Publitalia 80 S.p.A., EUR 2,609 thousand from Radio Studio 105 S.p.A and EUR 1,324 thousand from Digitalia '08 S.r.l.;
- EUR 22,350 thousand for the receivable related to the Group VAT consolidation, EUR 17,2760 thousand from RTI S.p.A., EUR 1,564 thousand from Digitalia '08 S.r.l. and for EUR 2,710 thousand from Elettronica Industriale S.p.A.;
- EUR 17,031 thousand for the receivable related to the VAT consolidation of the Group's Spanish branch from the subsidiary GAM Grupo Audiovisual MEDIASET ESPAÑA COMUNICACIÓN, S.A.U..

Prepaid expenses

This item totals EUR 647 thousand and it is mainly composed by:

- EUR 388 thousand in costs incurred to secure medium/long-term loans;
- EUR 10 thousand in fees on bank guarantees paid in advance;
- EUR 227 thousand in miscellaneous expenses, mainly consisting of costs for insurance premiums.

6.5 Intercompany financial receivables

Intercompany financial receivables from subsidiaries

These concerned cash-pools in place with other Group companies as detailed below:

	31/12/23	31/12/22
Tao Due S.r.l.	-	7,377
Mediaset Italia S.p.A.	7,524	-
R.T.I. S.p.A.	-	510,454
Beintoo S.p.A.	2,201	1,439
Digitalia '08 S.r.l.	2,811	-
Monradio S.r.l.	9,302	30,064
RadioMediaset S.p.A.	70,731	71,198
RMC Italia S.p.A.	6,756	4,430
Radio Subasio S.r.l.	1,351	-
Total	**100,676**	**624,961**

The cash-pools with subsidiaries, associates and joint ventures are governed by a master agreement entered into on 18 December 1995 and its subsequent amendments, which provide for the application of interest rates by MFE-MediaForEurope N.V. for the year 2023 calculated on the basis of the average Euribor 1-month plus a spread. The counterparties calculate the interest expense by adding a spread of 2.25% up to 31 July 2023 and then 2.07% from 1 August 2023, while interest income is calculated by deducting a spread of 0.75% up to 31 July 2023 and then 0.16% from 1 August 2023 Interest income is calculated only if the average Euribor one-month plus spread is greater than zero.

From 2017, interest expense is charged to MFE-MediaForEurope N.V. on 1 March of the year following the year to which it relates, while interest income is paid to MFE-MediaForEurope N.V. on 31 December of each year.

In particular:

- On 1 August 2023, two new intercompany cash-pooling accounts were opened with the subsidiaries MFE Advertising S.p.A. and GAM Grupo Audiovisual MEDIASET ESPAÑA COMUNICACIÓN, S.A.U., respectively;
- On 31 December 2023, the cash-pooling account with indirect subsidiary Tao Due S.r.l. was closed following the merger by incorporation into indirect subsidiary RTI S.p.A. (which for accounting and tax effects was backdated to 1 January 2023).

Intercompany financial receivables from associates and joint ventures

This item includes cash-pooling in place with associates and joint ventures as detailed below:

	31/12/2023	31/12/2022
Boing SpA	865	1,795
Total	**865**	**1,795**

6.6 Other current financial assets

This item breaks down as follows:

	31/12/23	31/12/22
Financial assets for non-hedging derivatives		
Third party forward derivatives	2,868	7,622
Forward derivatives with subsidiaries	1,541	3,428
Total	**4,409**	**11,050**
Financial assets for hedging derivatives		
Derivatives on equity instruments (Put options)	12,396	-
Collars on equity instruments (Call options)	-	2,784
Derivatives on equity instruments (Put options - ES Branch)	2,063	-
IRS derivatives with third parties	13,402	13,794
Total	**27,860**	**16,578**
Total	**32,269**	**27,628**

The item amounts to a total of EUR 32,269 thousand, increasing by EUR 4,641 thousand compared to the previous year.

This item was broken down as follows:

Financial assets for non-hedging derivatives

The item totals EUR 4,409 thousand, which is down by EUR 6,641 thousand on the previous year.

This is the fair value of derivatives, represented by forward currency contracts, purchased by MFE-MediaForEurope N.V. on the market to hedge risks resulting from fluctuations of foreign currencies in relation to highly probable future purchases, as well as payables for purchases already completed to hedge risks related to subsidiaries' operations.

The fair value of forwards is measured by discounting the difference between the notional amount translated at the forward rate of the contract, and the notional amount translated at the fair forward rate (the forward exchange rate measured at the reporting date).

In particular, MFE-MediaForEurope N.V. gathers information concerning positions subject to exchange risk from subsidiary R.T.I. S.p.A. and from the joint venture Boing S.p.A. and, once the derivative contract has been entered into on the market, it transfers it to these subsidiaries by entering into an intercompany mirror agreement under the same terms and conditions.

These contracts in the financial statements of the Company do not qualify as hedging instruments pursuant to IFRS 9 and are accounted for by recognizing the changes in fair value in the income statement, under the items "Financial expenses and financial income".

Financial assets for hedging derivatives

The item totals EUR 27,860 thousand, which is up by EUR 11,282 thousand on the previous year.

The item comprises:

- EUR 12,396 thousand from the current portion of the fair value concerning the put option taken out with Credit Suisse International to hedge fair value changes in the residual portion of the equity interest (2,797,752 shares) held in German broadcaster ProSiebenSat.1 Media SE, which continued to be measured according to IFRS 9;
- EUR 2,063 thousand from the non-current portion of the fair value concerning the put option taken out with Credit Suisse International by Mediaset España Comunicación SA, which was merged by incorporation into MFE on 2 May 2023; this option was also taken out to hedge fair value changes in the residual portion of the equity interest (4,951,250 shares) held in ProSiebenSat.1 Media SE which, as in previous years, continued to be measured according to IFRS 9;
- EUR 13,402 thousand from the current portion of fair value of 9 interest rate derivative contracts (IRS) entered into with Intesa Sanpaolo S.p.A., UniCredit and BNP Paribas to hedge interest rate risk on the loans taken out in 2020 and during the previous year;

It bears noting that *Collars on equity instruments (Call options)* reported the current portion of the fair value concerning the reverse collar (call option) taken out with BNP Paribas SA to hedge the risk of negotiations of shares in ProSiebenSat.1 Media. This item was reduced to zero during the year.

Other current financial assets

The item also includes EUR 4,960 thousand in current financial receivables due from joint ventures Nessma S.A. and Nessma Broadcast S.a.r.l. These receivables have been entirely written down in the previous years.

6.7 Cash and Cash Equivalents

This item breaks down as follows:

	31/12/23	31/12/22
Bank and postal deposits	100,105	20,044
Cash and cash equivalents	1	-
Total	**100,106**	**20,044**

The item amounts to EUR 100,106 thousand, which is up EUR 80,062 thousand and includes cash and cash equivalents of EUR 1 thousand related to the Spanish branch. The item Current accounts and demand deposits includes current accounts held at primary banks.

For more details on the changes that occurred during the year, please refer to the Cash Flow Statement and the comment on the Net Financial Position.

NOTES ON MAIN SHAREHOLDER' EQUITY AND LIABILITY ITEMS

(values in EUR thousand)

8. SHAREHOLDERS' EQUITY

The main items composing the Shareholders' Equity and relevant changes are:

8.1 Share capital

At 31 December 2023 the fully subscribed and paid-up share capital has decreased from EUR 800,313 thousand to EUR 161,649 thousand due to the following transactions:

- On 20 February 2023, in accordance with the Board of Directors' resolution of 30 January 2023 and in implementation of the authorisation conferred at the shareholders' extraordinary meeting of 25 November 2021, 2,646 new ordinary MFE A-Class shares were issued with a par value of EUR 0.06 each, to be allocated in a share deal to former shareholders of Videotime S.p.A, a company merged by incorporation into MFE (then Mediaset S.p.A.) on 1 March 2018. The increase in share capital was offset by a utilisation of the extraordinary reserve.
- On 2 May 2023, following the cross-border merger by incorporation of Mediaset España Comunicación SA into MFE (the accounting effects of which entered into operation on 3 May 2023), 220,934,896 new MFE A-class ordinary shares each with a par value of EUR 0.06 were issued, which were to be allocated in a share deal with the former shareholders of Mediaset España Comunicación SA in accordance with the merger plan approved by the management boards of both companies on 30 January 2023 and subsequently by the shareholders' extraordinary meetings of MFE and Mediaset España Comunicación SA on 15 March 2023. As a consequence, the fully subscribed and paid-up share capital increased by EUR 13,256 thousand from EUR 800,313 thousand to EUR 813,569 thousand:
- On 24 May 2023, in implementation of the resolution passed at MFE's shareholders' extraordinary meeting on 15 March 2023 and after the relevant court issued a statement of non-opposition from creditors under Dutch law, all 88,707,693 MFE A-class shares held in portfolio – with a total value of EUR 5,322 thousand – were cancelled, with share capital decreasing from EUR 813,569 thousand to EUR 808,247 thousand accordingly. MFE A-class treasury shares had been purchased under the share buyback programme announced to the market on 20 July 2022, which was initiated on 25 July 2022 and completed on 30 November 2022. This programme aimed to reduce the share capital and was carried out pursuant to Article 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014.
- On 23 October 2023, MFE - MEDIAFOREUROPE NV, in implementation of the resolution passed at the Shareholders' Meeting of 7 June of last year, effected a reverse split of A-class ordinary shares and B-class ordinary shares, whereby:

  - every 5 A-class Ordinary Shares were consolidated into 1 new A-class Ordinary Share, with the par value of each new A-class Ordinary Share being maintained at the pre-reverse split value of EUR 0.06;

- every 5 B-class Ordinary Shares were consolidated into 1 new B-class Ordinary Share, with the par value of each new B-class Ordinary Share being maintained at the pre-reverse split value of EUR 0.60.

  As a result of this transaction, the ISIN codes of the ordinary shares also changed. Namely, MFE A-class shares changed their ISIN code from NL0015000MZ1 to NL0015001OI1 and MFE B-class shares from NL0015000N09 to NL0015001OJ9.

  To ensure that the number of ordinary shares before the reverse split was divisible by 5 (for a ratio of 5:1 shares), MFE purchased 4 MFE A-class shares and 4 MFE B-class shares and then cancelled them on the effective date of the reverse split;

  To protect the par values of its A-class and B-class ordinary shares, MFE reduced its share capital by EUR 646,598 thousand, offset through an increase in the Share Premium Reserve. The new share capital is EUR 161,649 thousand, represented by 331,701,776 new A-class shares each with a par value of EUR 0.06 and 236,245,512 B-class ordinary shares each with a par value of EUR 0.60.

  - On 22 November 2023, share capital was further increased by means of a utilisation of the extraordinary reserve, which was approved by the Board of Directors on 1 August 2023 in implementation of the authorisation conferred by the shareholders' meeting on 7 June 2023. Specifically, 823 new MFE "A"-Class shares were issued, each with a par value of EUR 0.06 and each granting 1 voting right, which were to be allocated in a share deal to a former shareholder of Videotime S.p.A, a company merged by incorporation into MFE (then Mediaset S.p.A.) on 1 March 2018.

As a result of the changes that occurred during the year, share is formed by 331,702,599 MFE A-class shares each with a par value of EUR 0.06 and carrying 1 voting right per share, and 236,245,512 ordinary B-class shares each with a par value of EUR 0.60 and carrying 10 voting rights per share..
Both classes of share have the same equity rights and remain listed on Euronext Milan (EXM), a stock market organised and managed by Borsa Italiana S.p.A. MFE A-class shares are also listed on Spanish stock exchanges.

8.2 Share premium reserve

At 31 December 2023, the **Share premium reserve** moved from EUR 423,998 thousand to EUR 1,149,602 thousand.

The total increase of EUR 725,604 thousand comprises:

- increase of EUR 79,006 thousand as the difference between the fair value (EUR 0.4176) attributed to each new MFE A-class share issued in response to the share capital of 3 May 2023 and the par value (EUR 0.06 euros) attributed to each new share; EUR 0.3576 differential for each new MFE A-class share issued (for a total of 220,934,896 A-class ordinary shares issued) led to an increase in the share premium reserve from EUR 423,998 thousand to EUR 503,004 thousand;
- increase of EUR 646,598 thousand euros as a result of the reverse split of A-class and B-class ordinary shares in a ratio of 5 old shares for 1 new A-class and B-class share; the resulting decrease in share capital was offset by an increase of the same amount in the share premium reserve.

For more information on these transactions, see the sections: "*5.5 Equity investments in direct and indirect subsidiaries*" and "*8.1 Share capital*".

8.3 Treasury shares

The item *Treasury shares* at 31 December 2022 included both the MFE-MEDIAFOREUROPE N.V. B-class shares that were purchased pursuant to resolutions of ordinary shareholders' meetings of 16 April 2003, 27 April 2004, 29 April 2005, 20 April 2006 and 19 April 2007, and the MFE-MEDIAFOREUROPE N.V. A-Class Shares acquired during 2022 by resolution of the ordinary shareholders' meeting of 29 June 2022.

At 31 December 2023, the carrying amount of shares in the portfolio totalled EUR 358,034 thousand, attributable to the 7,724,109 MFE B-class shares.

During the year, this item decreased by EUR 32,699 thousand as a result of the following:

- decrease of EUR 32,636 thousand due to the cancellation of all MFE A-class shares held in portfolio (88,707,693 MFE A-class shares) on 24 May 2023;
- decrease of EUR 63 thousand due to the allocation of 3,469 B-class shares to former shareholders of Videotime S.p.a., a company merged by incorporation on 1 March 2018.

As a result of the reverse split of A-class and B-class shares in a ratio of 5 shares to 1 on 23 October 2023, the number of shares held in portfolio and their carrying value were adjusted on the effective date of the reverse split in order to keep their book value unchanged

To ensure that the number of MFE B-class shares held before the reverse split was divisible by 5, a total of 7 MFE B-class shares were sold.

For more details on these operations, see the sections *"8.1 Share Capital"* and "*Changes in Shareholders' Equity at 31 December 2023."*

The table below shows the changes in these reserves over the year for both classes:

	31/12/2023				31/12/2022			
	No. of MFE A-class shares	Carrying Amount	No. of MFE B-class shares	Carrying Amount	No. of MFE A-class shares	Carrying Amount	No. of MFE B-class shares	Carrying Amount
Treasury shares - opening balance	88,707,693	32,636	38,627,313	358,097	-	-	40,398,915	374,521
Increase for share acquisitions	-	-	-	-	88,707,693	32,636	-	-
Cancellation of shares for share capital alteration	(88,707,693)	(32,636)	-	-	-	-	-	-
Cancellation of shares for reverse stock split	-	-	(7)	()	-	-	-	-
Shares allocated to former Videotime shareholders	-	-	(2,646)	(25)	-	-	(1,771,602)	(16,424)
Reverse stock split	-	-	(30,899,728)	-	-	-	-	-
Shares allocated to former Videotime shareholders	-	-	(823)	(38)	-	-	-	-
Treasury shares - final balance	-	-	7,724,109	358,034	88,707,693	32,636	38,627,313	358,097
Total treasury shares - final balance				358,034				390,733

At 31 December 2023, there were no treasury shares used to stabilise market value.

8.4 Legal reserves

This item breaks down as follows:

	31/12/23	31/12/22
IRS Hedging reserves	12,048	24,676
Time value on options reserves	5,461	(3,516)
Intrinsic value on options reserves	12,970	5,092
Equity investment fair value reserve	(33,182)	(154,718)
Rounding	(1)	(1)
Total	**(2,702)**	**(128,466)**

IRS hedging reserve has a balance of EUR 12,048 thousand (EUR 24,676 thousand at 31 December 2022) and states the changes in fair value recognised up to 31 December 2023, net of the tax effect, in relation to nine interest rate swaps, of which one entered into in 2020 and eight in 2022, to hedge the interest rate risk on the same number of loans, which were taken out in 2020 and 2022 with Intesa Sanpaolo, BNP Paribas and UniCredit, as reported in the item *9.3 Non-current financial payables and liabilities.*

Time value and intrinsic value on options reserves have a balance of EUR 18,432 thousand (EUR 1,576 thousand at 31 December 2022) and include the changes in fair value of the put and call options entered into both under a collar agreement with Credit Suisse International in 2019 and another collar agreement entered into in 2020, again with Credit Suisse International, which is allocable to the Spanish branch. Both agreements were aimed at hedging the risk of fluctuations in the fair value of the equity investment in ProSiebeSat.1 Media SE. The item also includes adjustments of EUR 5,485 thousand as the total change in fair value up to the early close-out of the reverse collar in place with BNP Paribas SA in May 2023.

Investments fair value reserve shows a balance of negative EUR 33,182 thousand (negative EUR 154,718 thousand at 31 December 2022). The item includes the fair value changes in equity investments recorded in non-current assets under the item *Equity investments in other companies* and valued in accordance with IFRS 9 as "FVTOCI financial assets". This valuation is entered with changes recognised in the other items of the Statement of Comprehensive Income, without recycling to profit and loss. In addition, on 30 June 2023, in response to the 25.54% shareholding in ProSiebenSat 1 Media SA being reclassified under investments in associates, a total of EUR 125,604 thousand was reversed through *Retained earnings/(losses)* to reflect the total negative change in fair value up to that date, without reversal through the income statement.

The table below shows the changes in these reserves over the year.

	Balance at 01/01/2023	Reversed to profit and loss	Opening balance adjustment of the hedged item	Fair value changes	Other changes	Deferred tax liabilities	Balance at 31/12/2023
IRS hedging reserve	24,676	1,103	-	(17,719)	-	3,988	**12,048**
Hedging reserve time value	(2,229)	570	3,397	5,580	-	-	**7,318**
Hedging reserve intrinsic value	5,092	-	2,088	5,791	-	-	**12,971**
Fair value reserve - Equity Investments	(154,718)	-	-	(4,068)	125,604	-	**(33,182)**
Amortisation Hedging Reserve - Time Value	(1,287)	(570)	-	-	-	-	**(1,857)**
Total	**(128,466)**	**1,103**	**5,485**	**(10,416)**	**125,604**	**3,988**	**(2,702)**

8.6 RETAINED EARNINGS/(LOSSES) AND OTHER RESERVES

This item breaks down as follows:

	31/12/2023	31/12/2022
Treasury share gains/losses reserve	(78,663)	(51,286)
M/L-term incentive plan reserve	9,354	4,624
Reserve from actuarial gains/(losses)	(944)	(945)
Retained earnings (losses)	872,958	1,114,170
Total	**802,705**	**1,066,564**

Reserve for profit/loss from treasury share trading went from negative EUR 51,286 thousand in 2022 to negative EUR 78,663 thousand in 2023. This change of EUR 27,377 thousand was due to the negative effects on changes during the year, already commented on in the item *Treasury shares*.

Medium/long-term Incentive Plans reserves totalled EUR 9,354 thousand, which is up by EUR 4,730 thousand on the previous year. The item includes the offsetting entry of the amount accrued at 31 December 2023, determined based on the stock market price at the grant date, for the 2021, 2022 and 2023 plans allocated by the Company to employees of direct and indirect subsidiaries.

Reserve for actuarial gains (losses), which had a balance of negative EUR 944 thousand, which is largely unchanged compared to 31 December 2022 and includes actuarial components (after deferred taxes) related to the valuation of defined benefit plans.

The ***Retained Earning (losses)*** went from EUR 1,114,170 thousand at 31 December 2022 to EUR 872,958 thousand. The decrease of EUR 241,212 thousand was due to:

- a decrease of EUR 112,640 thousand due to the 2022 profits being allocated in accordance with the shareholders' resolution of 7 June 2023;
- a net decrease of EUR 125,604 thousand for the reclassification of the negative change in fair value of the shareholding in the German broadcaster, which was reclassified under investments in associates;
- a decrease of EUR 2,968 thousand due to the reversal, through the income statement reserve, of the costs incurred during the year for the Voluntary Public Purchase and Exchange Offer for the subsidiary Mediaset España SA, carried out in 2022. The change in the reserve is stated net of tax.

As the Company is tax resident in Italy, the following table shows the origin, possible use and availability of equity items in respect to Italian tax rules.

	Amount	Possibility of utilisation	Summary of utilisation in the previous three years	
			To cover losses	For other reasons
Share	161,649	=	-	-
Treasury shares	(358,035)	=	-	-
Share premium reserve	1,149,602	A B C	-	-
Merger reserve	621,642	A B C	-	-
Legal reserve	122,848	B	-	-
Extraordinary reserve	962,810	A B C	-	-
Treasury share gains/losses reserve	(78,663)	=	-	-
Other available reserves	16,324	A B C	-	-
Valuation reserves	5,708	=	-	-
Previous year IAS/IFRS gains/(losses)	(850,666)	=	-	473,630
Total	**1,753,220**		-	-
Profit/(loss) for the year	**5,337**		-	-
Distributable portion	**1,564,578**		-	-

Key:

A - for an increase in share capital

B - to cover losses

C - for distributions to shareholders

Article 1, Paragraph 33, Letter q) of the 2008 Finance Law abolished Paragraph 4, Letter b) of Article 109 of the TUIR, which had made it possible to deduct certain income components not recognised in the income statement on an off-record basis.

RECONCILIATION BETWEEN CONSOLIDATED AND PARENT COMPANY NET PROFIT AND SHAREHOLDERS' EQUITY

	Shareholders' equity at 31/12/2023	Net result 2023	Shareholders' equity at 31/12/2022	Net result 2022
As per balance sheet and income statement of MFE-MEDIAFOREUROPE N.V.	1,759	5	1,799	27
Excess of shareholders' equity, including gross income for the period over book value of investments in subsidiary ad affiliated companies	1,068	449	1,066	295
Consolidation adjustments arising from:				
Eliminations of unrealised intra-group gains/losses	90	13	74	16
Dividend eliminations	-	-249	-	-48
Other consolidation adjustments	-43	-1	-49	-16
Total	**2,874**	**217**	**2,890**	**275**
Minority interest	5	8	226	58
As per the consolidated financial statements	**2,869**	**209**	**2,665**	**217**

8.7 NET RESULT FOR THE YEAR

This item reflects the profit for the year of EUR 5,337 thousand (profit of EUR 27,416 thousand at 31 December 2022).

The Company will propose to distribute a dividend of EUR 0.25 per ordinary share outstanding, except for own shares held by the Company at the coupon detachment date.

Article 1, Paragraph 33, Letter q) of the 2008 Finance Law abolished Paragraph 4, Letter b) of Article 109 of the TUIR, which had made it possible to deduct certain income components not recognised in the income statement on an off-record basis.

9. NON-CURRENT LIABILITIES

9.1 Post-employment benefits plans

Employee benefits, which by Italian law are classified as leaving entitlements (TFR), are considered by IAS 19 to be "post-employment benefits" of the "defined benefit" type (for the portion accrued up to 31 December 2006), and are therefore valued using the actuarial "Projected Unit Credit Method".

The valuation of the obligations of MFE – MediaForEurope N.V. to its employees was carried out by an independent actuary, according to the following steps:

- Projected estimate of the cost of employee leaving entitlements already accrued at the valuation date and amounts that will accrue up to the future point in time when employment contracts terminate or when the accrued amounts are paid in part as advances on entitlements;
- discounting, at the valuation date, of the expected cash flows MFE – MediaForEurope N.V. will have pay to its employees in the future;
- re-proportioning of the accrued benefits discounted based on length of service at the valuation date compared to the length of service expected at the hypothetical date of payment by MFE – MediaForEurope N.V.

The actuarial valuation of employee leaving entitlements in accordance with IAS 19 was conducted specifically for the closed population of current employees, i.e. detailed calculations were made for each MFE – MediaForEurope N.V. employee, without taking into account any future hires.

The actuarial valuation model is based on “technical bases” consisting of demographic, economic and financial assumptions relating to the valuation parameters.

The assumptions adopted for the year 2023, are summarised below:

Demographic assumptions

Probability of death	The life expectancy table published by ISTAT was used, broken down by age and sex, current as at 2022
Probability of employees leaving the company	Percentages of retirement, resignation/dismissal and contract termination were taken from observation of the Company's historical data. The employee-leaving probabilities used were broken down by age, gender and contractual job title (office workers, managers and executives/journalists). For personnel with a fixed-term contract, the time horizon was moved to the expected end of the contract (since there was no contractual guarantee over a contract extension) and it was assumed that no employees on these contracts would leave before the end of the contract. The actuarial valuations took account of start dates for pension benefits specified by Decree Law 201 of 6 December 2011 "Urgent Provisions for the Growth, Fairness and Consolidation of the State Budget," (converted with amendments by Law 214 of 22 December 2011) and the regulations governing adjustment of requirements to access the pension system for increases in life expectancy pursuant to Article 12 of Decree Law 78 of 31 May 2010 converted, with amendments, by Law 122 of 30 July 2010.
TFR advances	To factor in the effects of advances on the timing of post-employment benefit payments and, therefore, on the discounting of the company's payables, the exit probabilities of employees who have accrued post-employment benefits were calculated. After consulting data within the company, an annual advance probability of 1.0% was used, and the average percentage of accrued post-employment benefits requestable as an advance was 70.0%;
Supplementary pensions	Employees that have paid their entire post-employment benefits into a supplementary pension scheme have released the Company of any commitments regarding said benefits, and were not therefore considered in the assessments. For other employees, valuations were made taking into account the decisions actually made by employees, updated to 31 December 2023, as communicated to the Company.

Economic/financial assumptions

Inflation rate	Reference was made to the macroeconomic overview contained in the most recent "Economy and Finance Document and Notes" as at the reporting date, using an inflation rate of 3.0% for 2024 and 2.5% from 2025 onwards.
Discounting rates	Pursuant to IAS 19R, the discount rate used to measure the Post-Employment Benefit Provision was determined in relation to market returns on prime corporate bonds on the valuation date. In this regard, the Composite AA rate curve (source: Bloomberg) as at 29 December 2023.

During the year, the item changed as follows:

Post-employment benefits plans at 01/01/23	52
Amount accrued and charged to profit and loss	1
Actuarial gains/(losses)	-
Post-employment benefits plans at 31/12/23	**53**

The table below shows the effects on the TFR liability of the sensitivity analysis of the main demographic and economic and financial assumptions relating to the parameters involved in the calculation.

Sensitivity analysis

Economic/financial assumptions		DBO
Discount rate curve	+50 bps	53
	-50 bps	52
Inflation rate	+50 bps	53
	-50 bps	53

Demographic assumptions - actuarial		DBO
Salary increases	+50 bps	53
	-50 bps	53
Probability of termination of employment	+50%	53
	-50%	53
Change in advanced portion of severance	+50%	53
	-50%	53

9.2 Deferred tax liabilities

This item breaks down as follows:

	31/12/2023	31/12/2022
Opening balance	7,793	-
Deferred tax charged to the income statement	()	1
Deferred tax charged to shareholders' equity	(3,988)	7,792
Closing balance	**3,805**	**7,793**

	31/12/2023		31/12/2022	
	Total temporary differences	Tax effect	Total temporary differences	Tax effect
Deferred tax liabilities related to:				
IRS hedging reserve	15,852	3,805	32,468	7,792
Post-employment benefit plans	2	1	3	1
Total deferred tax liabilities	**15,854**	**3,805**	**32,472**	**7,793**

This item totals EUR 3,805 thousand and arises as a result of the changes in fair value of the IRS hedging reserve.

9.3 Financial payables and liabilities

This item breaks down as follows:

		Balance at 31/12/2023			Balance at 31/12/2022
			Due		
		Total	From 1 to 5 years	More than 5 years	
Unsecured loans					
	Credit Suisse - 04/06/2019	-	-	-	28,020
	Intesa San Paolo - 30/03/2020	143,116	143,116	-	145,524
	BPM - 19/01/2021	-	-	-	54,828
	Mediobanca - 19/01/2021	-	-	-	72,537
	Intesa Sanpaolo - 29/03/2021	95,363	95,363	-	96,924
	UniCredit – 19/01/2022	95,597	95,597	-	97,233
	UniCredit - 12/05/2022	-	-	-	97,390
	UniCredit - 07/07/2022	185,808	185,808	-	188,474
	UniCredit - 08/09/2022	-	-	-	96,061
	BNL – 03/10/2022	95,162	95,162	-	96,646
	BPER FAC A. - 26/05/2023 - 03/10/2023	83,009	83,009	-	-
Financial liabilities IFRS16 (non-current portion)		37	37	-	20
Other derivatives					
	Forward derivatives with third parties	-	-	-	22
	Forward derivatives with subsidiaries	5,066	5,066	-	9,291
	Derivatives for call options on shares	-	-	-	1,204
	Collars on equity instruments (Put options)	-	-	-	6,930
Total		**703,158**	**703,158**	**-**	**991,104**

This item totals EUR 703,158 thousand, which is down EUR 287,946 thousand on the previous year.

Some loans are subject to financial covenants calculated on a consolidated basis as shown in the table below. This table also indicates the dates on which the waivers negotiated by the Company during the month of December 2019 were accepted by the various lenders, as reported in the Annual Report for the year ending 31 December 2019. As a result of these acceptances, the Company requested and obtained confirmation from lenders that, for the purpose of calculating the indices stipulated in the covenants, the Net Financial Indebtedness in accordance with Consob Communication 6064293 would be determined on the basis of the IAS/IFRS accounting standards in force on 31 December 2018, not including the following:

- Liabilities recognised from 1 January 2019 in accordance with IFRS 16 (lease);
- Payables relating to the loans entered into by MFE – MediaForEurope N.V. and mergee company Mediaset España Comunicación with Credit Suisse for the acquisition of the equity interest in ProsiebenSat1.

For the purposes of calculating the indices provided for covenants, the agreements entered into in 2021 report the net financial debt reported based on the IAS/IFRS accounting standards in force at 31 December 2018.

financing counterpart	covenant	checking period	waiver acceptance date
BPM 22.06.2023	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023)	months	
BBVA - 25/02/2019	Net Financial Position/EBITDA less than 2.25 months Net Financial Position/Equity less than 2	months	14/07/2022
UniCredit - 19/01/2022	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023) Net Financial Position/Equity less than 2	months	30/03/2022
UniCredit - 12/05/2022	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023) Net Financial Position/Equity less than 2	months	12/05/2022
BNL - 17/12/2021	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023) months Net Financial Position/Equity less than 2	months	30/03/2022
BPER 26.05.2023	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023) Net Financial Position/Equity less than 2	months	
BPER 26.05.2023	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023) Net Financial Position/Equity less than 2	months	
Intesa Sanpaolo - 30/03/2020	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023)	months	
UniCredit - 07/07/2022 (Club Deal)	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023)	months	30/03/2022
BNP Paribas - 07/07/2022 (Club Deal)	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023)	months	30/03/2022
Banco BPM - 07/07/2022 (Club Deal)	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023)	months	30/03/2022
Intesa Sanpaolo - 07/07/2022 (Club Deal)	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023)	months	30/03/2022
Caixa Bank - 07/07/2022 (Club Deal)	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023)	months	30/03/2022
BNL - 03/10/2022	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023)	months	03/05/2023
BNL 27.04.2023	Net Financial Debt/EBITDA less than 2.25 (until 31 June 2023)	months	

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. These parameters were met as at the reference date of these financial statements. Based on the current forecasts, it is expected that these parameters will also be complied with at the next calculation date.

It also bears noting that during the year, for all contracts outstanding as at 31 December 2021 and all contract entered into by that date whose financial covenants stipulated a *"NFP / EBITDA ratio of less than to 2, to be monitored every six months on the basis of the consolidated data of MFE-MediaForEurope N.V."*, this value was modified to *less than 2.25* up to the recognition date of 31 December 2023.

Payables and financial liabilities are broken down in detail below.

On 26 May 2023, a loan agreement was entered into with Bper Banca, for a notional amount of EUR 100,000 thousand and repayable by 26 May 2028. As of 31 December 2023, the carrying amount was EUR 83,009 thousand (of which EUR 16,928 thousand related to the current portion).

For this agreement the following financial covenants are applicable:

- NFP / PN ratio (Debt Equity Ratio) of less than to 2, to be monitored every six months on the basis of MFE – MediaForEurope N.V. consolidated financial information;
- NFP / EBITDA ratio (Debt Cover Ratio) of less than to 2.25, to be monitored every six months on the basis of MFE – MediaForEurope N.V. consolidated financial information;

A loan agreement is in place, entered into with Intesa Sanpaolo S.p.A on 30 March 2020 and repayable by 28 March 2025, for a total amount of EUR 250,000 thousand, of which EUR 150,000 thousand granted as an amortised cost term loan, and EUR 100 thousand granted as a revolving credit facility. As of 31 December 2023, the carrying amount of the term loan was EUR 143,116 thousand (of which EUR 7,314 thousand related to the current portion).

With reference to the same contract, in a letter dated 17 March 2021 and effective from 29 March 2021, a request was made for the disbursement of EUR 100,000 thousand, which modified the utilisation of the revolving in-term loan portion. This loan, repayable by 28 March 2025 and recognised in accounts using the amortised cost method, had a carrying amount of EUR 95,363 thousand at 31 December 2023 (of which EUR 4,875 thousand related to the current portion).

For this agreement the following financial covenants are applicable:

- NFP / EBITDA ratio of less than to 2.25, to be monitored every six months on the basis of MFE – MediaForEurope N.V. consolidated financial information.

On 19 January 2022, a loan agreement was entered into with UniCredit S.p.A, for a notional amount of EUR 100,000 thousand and repayable by 20 February 2025. As of 31 December 2023, the carrying amount was EUR 95,597 thousand (of which EUR 4,684 thousand related to the current portion).

For this agreement the following financial covenants are applicable:

- NFP / PN ratio (Debt Equity Ratio) of less than to 2, to be monitored every six months on the basis of MFE – MediaForEurope N.V. consolidated financial information;
- NFP / EBITDA ratio (Debt Cover Ratio) of less than to 2.25, to be monitored every six months on the basis of MFE – MediaForEurope N.V. consolidated financial information;

On 12 May 2022, a loan agreement was entered into with UniCredit S.p.A, for a notional amount of EUR 100,000 thousand, to be utilised as a term loan and accounted for using the amortised cost method. As at 31 December 2023, the carrying amount was EUR 100,170 thousand as reported in ***10.1 Payables to banks***, relating to the non-current portion repayable by 13 May 2024.

For this agreement the following financial covenants are applicable:

- NFP / Equity ratio (Debt Equity Ratio) of less than to 2, to be monitored every six months on the basis of MFE – MediaForEurope N.V. consolidated financial information;

- NFP / EBITDA ratio (Debt Cover Ratio) of less than to 2.25, to be monitored every six months on the basis of MFE – MediaForEurope N.V. consolidated financial information;

On 3 October 2022, a loan agreement was entered into with Banca Nazionale del Lavoro S.p.A. for a notional amount of EUR 100,000 thousand and repayable by 5 October 2026, to be utilised as a term loan and accounted for using the amortised cost method. As of 31 December 2023, the carrying amount was EUR 95,162 thousand (of which EUR 6,113 thousand related to the current portion).

For this agreement the following financial covenants are applicable:

- NFP / EBITDA ratio of less than to 2.25, to be monitored every six months on the basis of MFE – MediaForEurope N.V. consolidated data up to 31 December 2023. This ratio will change to less than 2 when carrying out testing as at 31 December 2023

A loan agreement is in place, entered into with Credit Suisse International for an initial loan of EUR 295,106 thousand notional on 4 June 2019, entered into in the context of the equity investment in ProSiebenSat.1 Media SA. This loan, which was entered in accounts on the balance sheet date for a value of EUR 28,257 thousand, was recognised at amortised cost but, unlike those mentioned above, all interest expense was paid upfront.

For this agreement, financial covenants are not applicable.

In March 2020, a loan agreement had been entered into with Credit Suisse International by (then) Mediaset España Comunicación SA, which at 31 December 2023 was recognised in accounts for a residual value of EUR 24,374 thousand. For this agreement, which was entered into in the context of the equity investment in ProSiebenSat.1 Media SA., financial covenants are not applicable and all relevant interest liabilities have been paid early. This loan is attributable to the Spanish branch.

Both loans taken out with Credit Suisse International and shown in the table in ***10.1 Due to banks*** were repaid early on 22 February 2024.

On 30 March 2022, a club deal credit line of EUR 300,000 thousand was stipulated with UniCredit, Intesa Sanpaolo, Bnp Paribas, Banco Bpm and Caixa Bank to finance the cash amount of the purchase and exchange offer on Mediaset España Comunicación SA shares (the Offer). Under this agreement, a EUR 184,174 loan had been taken out on 7 July 2022 and subsequently increased by EUR 11,744 thousand on 21 July 2022. This loan, repayable by 12 July 2027, is recognised in accounts using the amortised cost method. As at 31 December 2023, its total carrying amount was EUR 197,594 thousand (of which EUR 11,786 thousand related to the current portion and EUR 185,808 thousand referred to the non-current portion). In addition to the quarterly payment of the interest expense, capital repayments will be due under this agreement from 13 January 2025.

On 8 September 2022, a loan agreement had been entered into with UniCredit S.p.A, for a notional amount of EUR 100,000 thousand and repayable by 8 September 2026, to be utilised as a term loan and accounted for using the amortised cost method. This loan was repaid early on 12 May 2023.

The loan taken out on 19 January 2021 with Mediobanca S.p.A for a notional amount of EUR 75,000 thousand and repayable by 28 June 2024, which was to be utilised as a term loan and accounted for using the amortised cost method, was repaid early on 30 May 2023.

On 12 December 2022, a loan agreement had been entered into with Mediobanca S.p.A, for a notional amount of EUR 50,000 thousand, repayable by 22 December 2027. This loan, which was disbursed in January 2023, was repaid early on 22 June 2023.

On 19 January 2021, a loan agreement was entered into with Banca BPM S.p.A, for a notional amount of EUR 100,000 thousand and repayable by 09 February 2026, which was to be utilised as a term loan and accounted for using the amortised cost method. This loan was repaid early on 30 July 2023.

The first dates for revision of the rate during 2024 for the various loans will be the following:

- 28 March 2024 for the Intesa Sanpaolo loan of 28 March 2020;
- 28 March 2024 for the Intesa Sanpaolo loan of 29 March 2021;
- 28 March 2024 for the UniCredit loan of 19 January 2022;
- 28 March 2024 for the UniCredit loan of 12 May 2022;
- 17 January 2024 for the Banca Nazionale del Lavoro loan of 03 October 2022.
- 11 January 2024 for the Club Deal (UniCredit) loan of 7 July 2022;
- 28 March 2024 for the Bper Banca loan of 26 May 2023;

The table below shows the effective interest rates (IRR) and financial charges recognised in the income statement for the loans, and the fair value of the loans calculated using the actual market rates at the year end.

	IRR	Financial expenses	Fair value
Intesa Sanpaolo loan - 30/03/2020	4.78%	6,585	151,803
Intesa Sanpaolo loan - 29/03/2021	4.82%	4,429	101,202
UniCredit loan - 19/01/2022	4.54%	4,160	100,740
UniCredit loan - 12/05/2022	4.25%	3,886	100,079
UniCredit loan - 07/07/2022	5.15%	9,194	200,790
UniCredit loan - 08/09/2022	0.00%	1,778	-
Mediobanca loan - 19/01/2021	0.00%	1,073	-
Mediobanca loan - 22/12/2022	0.00%	1,098	-
Banca Nazionale del Lavoro loan - 17/04/2020	0.00%	780	-
Banca Nazionale del Lavoro loan - 03/10/2022	5.13%	4,711	103,667
Banca Nazionale del Lavoro loan - 27/04/2023	0.00%	546	-
BPER Banca loan - 28/04/2020	0.00%	876	-
BPER Banca loan - 26/05/2023 A	5.25%	3,029	101,489
BPER Banca loan - 26/05/2023 B	0.00%	762	-
Credit Suisse loan - 04/06/2019	0.84%	237	27,550
Credit Suisse loan - Spanish branch	1.16%	-	24,066
Banco BPM loan - 19/01/2021	0.00%	1,539	-

Financial liabilities IFRS16 amounts to EUR 37 thousand, which is up EUR 17 thousand on last year, and comprises the non-current portion of the financial liabilities recorded as a contra entry for the employee car hire recognised within property, plant and equipment following the application of IFRS16.

Forward derivatives with subsidiaries amount to EUR 5,066 thousand and refer to the non-current portion of the negative fair value of derivatives for forward contracts on foreign currencies that MFE-MediaForEurope N.V., after purchase on the market to hedge against risks deriving from fluctuations in foreign currencies in relation to highly probable future purchases , as well as payables for purchases already made by its direct and indirect subsidiaries, transfers to the latter by entering into an intercompany mirror agreement at the same conditions.

Derivatives for on equity instruments (Call options), which in 2022 amounted to EUR 1,204 thousand, decreased to nil during the year because the item for 2023 refers only to the current portion of the fair value concerning the call option taken out with Credit Suisse International to hedge the risk of fluctuations in the fair value of the equity investment in ProSiebenSat.1 Media SA SE.

Collars on equity instruments (Put options) , which in 2022 amounted to EUR 6,930 thousand and referred to the reverse collar on equity instruments (put option) entered into with BNP Paribas SA to hedge share deals with ProSiebenSat 1 Media SE, decreased to nil during the year because the derivative was closed out early on 9 May at the market price.

In particular, in accordance with IAS 7, in addition to the financial liabilities related to the investment in ProsiebenSat1, the Company reports of having EUR 1,298,746 thousand in total committed credit facilities lines at 31 December 2023, of which EUR 400,000 thousand unutilised and readily available.

As at the approval date of these Financial Statements, the committed credit lines available to MFE are equal to EUR 1,298,746 thousand, including EUR 265,327 thousand falling due within the next 12 months.

10. CURRENT LIABILITIES

10.1 Payables to banks

Payables to banks are broken down as follows:

	Balance at 31/12/2023				Balance at 31/12/2022
		Due			
	Total	In 1 year	From 1 to 5 years	More than 5 years	
Credit facilities					
Short-term loans	27,000	27,000	-	-	6,000
Interest expense on short-term loans	2	2	-	-	2
Unsecured loans					
Credit Suisse - 04/06/2019	28,257	28,257	-	-	-
Intesa Sanpaolo - 30/03/2020	7,314	7,314	-	-	4,686
BNL - 17/04/2020	-	-	-	-	100,526
UBI Banca - 28/04/2020	-	-	-	-	100,484
BPM - 19/01/2021	-	-	-	-	26,940
Mediobanca - 19/01/2021	-	-	-	-	2,617
Intesa Sanpaolo - 29/03/2021	4,875	4,875	-	-	3,113
UniCredit – 19/01/2022	4,684	4,684	-	-	2,929
UniCredit - 12/05/2022	100,170	100,170	-	-	2,784
UniCredit - 07/07/2022	11,786	11,786	-	-	7,165
UniCredit - 08/09/2022	-	-	-	-	3,985
BNL – 03/10/2022	6,113	6,113	-	-	3,809
BPER FAC A. - 26/05/2023	16,928	16,928	-	-	-
Credit Suisse - SP Branch	24,374	24,374	-	-	-
Total	**231,504**	**231,504**	**-**	**-**	**265,040**

This item totals EUR 231,504 thousand, which is down by EUR 33,536 thousand on the previous year, and mainly includes the current portion of loans recognised at amortised cost.

In 2023, the loans taken out with Bnl and BPER Banca, both agreed in 2020 and recognised in 2022 at EUR 100,526 thousand and EUR 100,484 thousand respectively, were repaid on their due date.

Also during the year, two loans taken out in 2021 with Banco BPM and Mediobanca and one loan taken out in 2022 with UniCredit were repaid early. The total value of each of the items for which the current portion was recognised in 2022 was EUR 33,542 thousand. These are described in section *9.3 Financial payables and liabilities.*

A new loan agreement was entered into during the year with BPER Banca, with a total value of EUR 100,000 thousand notional. The amount recognised refers to the current portion of the loan, as already commented in the note *9.3 Payables and financial liabilities*.

As at 31 December 2023, the short-term credit facilities used amounted to EUR 27,000 thousand (at 31 December 2022, the short-term credit facilities were EUR 6,000 thousand).

As at 31 December 2023, 68.20% of the credit facilities available were committed.

10.2 Trade payables

	31/12/2023				31/12/2022
		Due			
	Total	In 1 year	From 1 to 5 years	More than 5 years	
Payables to suppliers	2,508	2,508			2,505
Payables due to subsidiaries	2,059	2,059			554
Payables due to affiliates	8	8			
Payables due to parent companies	20	20			20
Rounding	-	-	-	-	-
Total	**4,595**	**4,595**	**-**	**-**	**3,079**

This item totals EUR 4,595 thousand, which is up by EUR 1,516 thousand on the previous year.

Details of the main items are provided below.

Payables to suppliers

The item totals EUR 2,508 thousand, which is up by EUR 3 thousand on the previous year. The item refers to supplies relating to:

- EUR 1,823 thousand for consultants and external staff;
- EUR 685 thousand for other costs.

Payables due to subsidiaries

This item, which amounts to EUR 2,059 thousand, is up by EUR 1,505 thousand on the previous year and refers to the payable for the provision of staff services mainly due to indirect subsidiary R.T.I. S.p.A., amounting to EUR 1,785 thousand, and to subsidiary Mediaset S.p.A, amounting to 244 thousand.

Payables due to parent companies

This item, which amounts to EUR 20 thousand, is unchanged on the previous year and refers to the payable due to parent Fininvest S.p.A. for waived directors' remuneration.

Payables due to affiliates

This newly recognised item amounts to EUR 8 thousand and refers to payables for miscellaneous services primarily due to Mondadori Retail S.p.A.

There were no payables due beyond 12 months.

The carrying amount of trade payables approximates its fair value.

10.5 Intercompany financial payables

This item reflects cash-pools with subsidiaries, associates and joint ventures.

For the conditions that apply to intercompany loans issued, see the comments reported in the explanatory note 6.5 Intercompany financial receivables.

Intercompany financial payables to subsidiaries

	31/12/23	31/12/22
Medusa Film S.p.A.	11,993	104,573
Mediaset Italia S.p.A.	-	31,214
R.T.I. S.p.A.	152,071	-
Publieurope Ltd.	9,789	17,965
Publitalia '80 S.p.A.	181,163	329,799
Digitalia '08 S.r.l.	-	2,066
Elettronica Industriale S.p.A.	76,896	388,621
Radio Studio 105 S.p.A.	15,968	20,099
Virgin Radio Italy S.p.A.	9,260	9,957
Radio Subasio S.r.l.	-	5,008
Radio Aut S.r.l.	1,082	1,222
MFE Advertising S.p.A.	101	-
GAM Grupo Audiovisual Mediaset Espana Comunicación S.A.U.	245,435	-
Total	**703,759**	**910,524**

Intercompany financial payables to associates and joint ventures

	31/12/23	31/12/22
Fascino Prod. Gest. Teatro S.r.l.	38,228	37,352
Adtech Ventures S.p.A.	43	54
Mediamond SpA	924	9,985
Rounding		
Total	**39,195**	**47,391**

Net Financial Indebtedness

At 31 December 2023, the net financial position of MFE – MediaForEurope N.V. compared to the previous year was as follows:

	31/12/23	31/12/22
Cash in hand	1	-
Bank and postal deposits	100,105	20,044
Securities and other current financial assets	13,402	13,794
Total liquidity	**113,508**	**33,838**
Financial receivables from subsidiaries	100,676	624,961
Financial receivables from associates	865	1,795
Total current financial receivables	**101,541**	**626,756**
Payables to: banks	(231,504)	(265,040)
Payables and current financial liabilities	(21)	(876)
Financial payables to subsidiaries	(703,759)	(910,524)
Financial payables to associates	(39,195)	(47,391)
Current financial debt	**(974,478)**	**(1,223,830)**
Net current financial indebtedness	**(759,429)**	**(563,236)**
Receivables and other non-current financial assets	3,536	19,343
Non-current financial payables and liabilities	(698,092)	(973,656)
Non-current portion of net financial debt	**(694,557)**	**(954,314)**
Net Financial Indebtedness	**(1,453,986)**	**(1,517,550)**

The Net Financial Indebtedness, amounting to EUR 1,453,986 thousand, decreased by EUR 63,564 thousand on the previous year.

The item *Securities and other current financial assets* refers to the current portion of the positive fair value of IRS derivatives, as reported in *6.6 Other current financial assets*.

The item *Non-current financial payables and liabilities* mainly includes the non-current portion of loans payable to third parties, as reported in *Note 9.3 Payables and financial liabilities*.

The item *Receivables and other non-current financial assets* refers to the non-current portion of the positive fair value of IRS derivatives, as reported in *Note 5.6 Receivables and other non-current financial assets*.

In 2023, the Company paid out dividends for a total EUR 140,056 thousand, of which EUR 58,904 thousand to the parent company Fininvest S.p.A..

In addition, in 2023 the Company received dividends of EUR 66,000 thousand from subsidiary Mediaset S.p.A., EUR 19,600 thousand from associate EI Towers S.p.A and EUR 3,323 thousand from ProSiebenSat.1 Media SA.

In March 2023, the liquidation distribution of Mediaset Investment N.V. was collected for EUR 1,309 thousand.

In the first six months of 2023, further shares were acquired in ProSiebenSat.1 Media SE for EUR 68,823 thousand and in Mediaset España Comunicación SA (merged by incorporation on 2 May 2023) for a total consideration of EUR 15,539 thousand.

In June 2023, new company MFE Advertising S.p.A. was incorporated and its share capital of EUR 100 thousand was paid up.

In May 2023, the cross-border merger of Mediaset España Comunicación SA into MFE generated cash and cash equivalents of EUR 288,207 thousand. For more information, see the section *"Cross-border merger by incorporation."*

Also in 2023, EUR 271,000 thousand in loans and short-term credit facilities were taken out and medium/long-term loan agreements were entered into with various credit institutions worth a total of EUR 610,646 thousand.

Further details of these changes are reported in the cash flow statement.

In compliance with IAS 7, the changes in financial assets and liabilities are shown below:

	Opening balance 01/01/2023	Cash flow	Non-cash flow		Final balance 31/12/2023
			Fair value changes	Other changes	
Non-current financial liabilities:					
Payables and financial liabilities	973,636	250,000	-	(525,581)	698,055
Hedging derivatives - interest rate risk	-	-	-	-	-
Financial liabilities IFRS16	20	-	-	18	37
Current financial liabilities:					
Credit facilities	6,000	21,000	-	-	27,000
Payables and financial liabilities	259,038	(610,646)	-	556,109	204,502
Hedging derivatives - interest rate risk	24	-	(24)	-	-
Financial liabilities IFRS16	10	-	-	11	21
Non-current financial assets:					
Hedging derivatives - interest rate risk	(19,343)	-	15,807	-	(3,536)
Current financial assets:					
Hedging derivatives - interest rate risk	(13,794)	13,095	(12,703)	-	(13,402)
Intercompany financial payables	957,914	(214,961)	-	-	742,954
Short-term financial payables to subsidiaries	842	(626)	-	(216)	-
Intercompany financial receivables	(626,756)	543,276	-	(18,061)	(101,541)
Net liabilities from lending activities	**1,537,592**	**1,138**	**3,080**	**12,279**	**1,554,089**
Cash and cash equivalents	(20,044)	(80,062)	-	-	(100,105)
Net financial debt	**1,517,548**	**(78,924)**	**3,080**	**12,279**	**1,453,985**
Non-current financial liabilities:					
Non-hedging derivatives	9,314	-	(4,248)	-	5,066
Hedging derivatives - call options on shares	1,204	-	(1,204)	-	-

Hedging derivatives - put collar on shares	6,930	-	(6,930)	-	-
Current financial liabilities:					
Non-hedging derivatives	11,061	47,953	(54,594)	-	4,419
Hedging derivatives - put collar on shares	2,622	(5,640)	3,017	-	-
Hedging derivatives - call collar on shares	-	-	451	-	451
Non-current financial assets:					
Non-hedging derivatives	(9,314)	-	4,248	-	(5,066)
Hedging derivatives - put options on shares	(6,812)	-	6,812	-	-
Hedging derivatives - call collar on shares	(7,709)	-	7,709	-	-
Current financial assets:					
Non-hedging derivatives	(11,050)	(47,970)	54,611	-	(4,409)
Hedging derivatives - call collar on shares	(2,784)	11,124	(8,340)	-	-
Hedging derivatives - put options on shares	-	-	(14,458)	-	(14,458)
Net liabilities not from lending activities	**(6,538)**	**5,467**	**(12,926)**	**-**	**(13,997)**

10.6 Other financial liabilities

	31/12/2023	31/12/2022
Financial liabilities for non-hedging derivatives		
Forward derivatives with third parties	1,551	3,439
Forward derivatives with subsidiaries	2,868	7,622
Total	**4,419**	**11,061**
Financial liabilities for hedging derivatives		
IRS derivatives with third parties	-	24
Collars on equity instruments (Call options)	451	
Collars on equity instruments (Put options)	-	2,622
Total	**451**	**2,646**
Other short-term financial debt		
Financial liabilities IFRS16 (current portion)	21	10
Total	**21**	**10**
Financial payables to subsidiaries	-	842
Total	**-**	**842**
Total	**4,891**	**14,559**

The item amounts to a total of EUR 4,891 thousand (EUR 14,559 thousand at 31 December 2022), decreasing by EUR 9,668 thousand.

Financial payables to subsidiaries were reduced to zero as a result of the conclusion of the Mediaset Investment N.V. liquidation process, with the liquidation distribution paid out in the first quarter of 2023.

Financial liabilities for non-hedging derivatives, amounting to EUR 4,419 thousand (compared to EUR 11,061 thousand at 31 December 2022), refer to the negative fair value on the foreign exchange derivatives entered into as part of the risk hedging strategy of associates and joint ventures;

Financial liabilities IFRS16 amounts to EUR 21 thousand (EUR 10 thousand at 31 December 2022) and refers to the current portion of the financial liabilities recorded as a contra entry for the employee car hire recognised within property, plant and equipment following the application of IFRS16.

Financial liabilities for hedging derivatives totalling EUR 451 thousand (EUR 2,646 thousand at 31 December 2022), comprises the current portion of the negative fair value of nine interest rate swaps entered into in 2020 and 2022 with various credit institutions.

10.7 Other current liabilities

This item breaks down as follows:

	31/12/23	31/12/22
Payables to employees for wages and salaries, accrued holiday pay and expenses	108	81
Payables to insurance companies	1	1
Payables to shareholders for dividends approved	17	13
Payables to social security institutions	21	18
Payables to tax authorities	27,554	2,665
Payables to Directors	9,083	9,083
Other payables to third parties	171	121
Sundry payables to subsidiaries	194,944	196,316
Sundry payables to associates and joint ventures	322	59
Accrued liabilities	5	3
Total	**232,227**	**208,360**

This item totals EUR 232,227 thousand, which is up by EUR 23,867 thousand on the previous year.

Details of the main items are provided below.

Other payables to subsidiaries, associates and joint ventures

This item, totalling EUR 195,266 thousand and down by EUR 1,109 thousand, is broken down as follows:

- EUR 178,733 in IRES tax payable under the tax consolidation scheme to subsidiaries and EUR 283 thousand in IRES tax payable to joint ventures participating in the Group's national tax consolidation scheme;
- EUR 4,310 thousand in IRES tax payable under the Spanish branch's tax consolidation scheme to the subsidiary GAM Grupo Audiovisual Mediaset España Comunicación S.A.U.;
- EUR 11,901 thousand in VAT payables transferred to MFE MediaForEurope NV by subsidiaries and EUR 39 thousand transferred by joint ventures as part of the Group's VAT procedures.

Payables to Directors

This item, which amounts to EUR 9,083 thousand, is unchanged on the previous year, mainly includes the payables recognised in previous years for the EUR 8,500 thousand severance indemnity to the Chairman of the Company, payable at the end of his term in office.

Payables to tax authorities

This item breaks down as follows:

	31/12/23	31/12/22
Group VAT	27,485	2,602
Tax withholdings on salaries	10	9
Tax withholdings on self-employed income	12	10
Tax withholdings on income similar to employees' salaries	48	44
Total	**27,554**	**2,665**

This item totals EUR 27,554 thousand, which is up by EUR 24,889 thousand on last year, mainly attributable to the item *Group VAT.*

As a result of the merger by incorporation of Mediaset España Comunicación, S.A. into MFE MEDIAFOREUROPE N.V., the latter established a branch in Spain which, in accordance with domestic law, serves as the parent company for the Spanish group's VAT purposes. Indeed, Group VAT includes EUR 17,031 thousand due to the Spanish tax authority.

Payables to shareholders for dividends approved

This item, which totals EUR 17 thousand, is up by EUR 4 thousand on the previous year, and refers to the payable to shareholders for the dividends resolved by the shareholders' meeting on 23 June 2021, 29 June 2022 and 7 June 2023, which as at 31 December 2023 is pending payment.

Payables due to employees

The item, amounting to EUR 108 thousand, increased by EUR 27 thousand compared to the end of the previous year. This item refers to payables of EUR 101 thousand for salaries and contributions and EUR 7 thousand for 14th-month bonus salary payments.

Payables to social security institutions

This item, which amounts to EUR 21 thousand (EUR 18 thousand at 31 December 2022), relates to payables to pension institutions for amounts owed by both the company and employees in relation to December salaries.

This item is broken down as follows:

	31/12/23	31/12/22
INPS	13	9
INAIL	1	
FPDAC	7	7
Other organisations	-	2
Total	**21**	**18**

NOTES ON THE MAIN ITEMS OF THE STATEMENT OF INCOME

(values in EUR thousand)

12. REVENUES

12.1 Revenues from sales and services

This line item, which changed from a total of EUR 1,068 thousand in 2022 to EUR 1,012 thousand in 2023, shows a total decrease of EUR 56 thousand.

The revenue categories are as follows:

	2023	2022
Other services	905	873
Commissions and fees	107	195
Total	**1,012**	**1,068**

Other services

This item amounts to EUR 905 thousand and mainly consists of revenues for the supply of intercompany financial services. In particular, it refers to the revenues for staff services to indirect subsidiaries Publitalia '80 S.p.A. for EUR 353 thousand and R.T.I. S.p.A. for EUR 220 thousand and Digitalia '08 S.r.l. for EUR 116 thousand.

Commissions and fees

This item includes EUR 107 thousand in revenues for fees on bank sureties and guarantees granted in favour of subsidiaries (EUR 195 thousand in 2022), of which EUR 91 thousand to indirect subsidiary R.T.I. S.p.A.

All revenues were generated within Italy.

12.2 Other revenues and income

This item breaks down as follows:

	2023	2022
Prior year income	-	150
Other proceeds	10	5
Total	**10**	**155**

The item amounts to EUR 10 thousand, decreasing by EUR 145 thousand compared to the previous year and refers to miscellaneous revenues resulting from a legal judgment.

13. COSTS

13.1 Personnel expenses

The following table provides a comparison of the number of employees at 31 December 2023, at 31 December 2022 and the average for 2023:

	Employees at 31/12/23	Average 2023	Employees at 31/12/22
Executives	3	2	2
	3	**2**	**2**

Personnel expenses are broken down in the table below:

	2023	2022
Wages and salaries	581	295
Social security contributions	91	71
Other personnel expenses	13	14
Ancillary personnel expenses	20	17
Out-of-period personnel expenses	22	75
Recovery of personnel expenses	(1)	(1)
Total	**727**	**470**

The item totals EUR 727 thousand, which is up by EUR 257 thousand on the previous year.

Details of the main items are provided below.

Wages and salaries

This item totals EUR 581 thousand, of which:

- EUR 558 thousand in ordinary and extraordinary remuneration;
- EUR 23 thousand in other costs for allocations of 13th month and 14th month bonuses;

Social security contributions

This item totals EUR 91 thousand, of which:

- EUR 84 thousand in contributions accrued on salaries and wages;

- EUR 7 thousand in other costs for contributions accrued on 13th-month and 14th-month bonuses, and INAIL (National Institute for Insurance against Accidents at Work).

Other personnel expenses

This item amounts to EUR 13 thousand and relates to employee leaving entitlement expenses due to realignment of uses;

Out-of-period personnel expenses

This item amounts to EUR 22 thousand (compared to EUR 75 in 2022) and mainly comprises personnel costs relating to previous years which were recognised after settling positions with social security institutions.

13.2 Purchases

This item breaks down as follows:

	2023	2022
Miscellaneous consumables	8	4
Total	**8**	**4**

13.5 Services

This item breaks down as follows:

	2023	2022
Maintenance and repairs	5	-
Consultants and external staff	5,239	3,598
Utilities and logistics	2	4
Advertising, public relations and entertainment	183	82
Costs for insurance services	427	445
Travel and expense accounts	77	1
EDP and administrative service costs	2,564	2,025
Fees to Directors and Statutory Auditors	1,910	1,910
Bank charges and commissions	445	671
Other services	178	159
Out-of-period services	10	2
Total	**11,041**	**8,898**

The item totals EUR 11,041 thousand, which is up EUR 2,143 thousand on the previous year.

Details of the main items are provided below.

Consultants and external staff

This item amounts to EUR 5,239 thousand (compared to EUR 3,598 in 2022) and mainly refers to the following costs:

- EUR 2,162 thousand for legal and litigation assistance costs;
- EUR 2,029 thousand for other professional and consultancy services;
- EUR 718 thousand for expert appraisals and certifications;

EUR 790 thousand for auditing services; The cost for certification services for non-financial statements amounted to EUR 41 thousand. It should be noted that other services totalling EUR 72 thousand were provided by the Independent Auditors.

The following table describes auditor fees charged to the Company and its subsidiaries: (values in EUR thousand):

	Deloitte Accountants B.V.		Other Deloitte member firms and affiliates		Total	
	2023	2022	2023	2022	2023	2022
Audit of the financial statements	677	551	1,761	1,795	2,438	2,346
Other audit engagements	-	-	94	171	94	171
Other non-audit services	71	-	40	115	111	115
Total	**748**	**551**	**1,895**	**2,081**	**2,643**	**2,632**

EDP and administrative service costs

This item amounts to EUR 2,564 thousand (compared to EUR 2,025 in 2022) and mainly refers to the following costs:

- EUR 2,262 thousand for staff services governed by intercompany contracts, of which EUR 1,461 thousand to R.T.I. S.p.A. and EUR 801 thousand to Mediaset S.p.A.;
- EUR 221 thousand for EDP services;

Fees to Directors and Statutory Auditors

The item, which totals EUR 1,910 thousand, is unchanged on the previous year and refers only to directors' fees.

For more details related to Directors' Fees, refer to section Other Information-Dealings with: subsidiaries, associates, holding companies, affiliates and other related parties The difference between the cost indicated above for Fees to Directors and the costs for key management personnel indicated in the table of that section is explained by payments order in favour of other related parties and membership fees due by the Company on behalf of some Directors.

13.6 Royalties

The item breaks down as follows:

	2023	2022
Leases and rentals	45	16
Royalties	465	465
Contingent leases and rentals	-	(1)
Total	**510**	**480**

This item, which totals EUR 510 thousand, was up EUR 30 thousand on the previous year and mainly relates to the EUR 465 thousand expenditure on royalties for using the Fininvest brand.

13.8 Other operating expenses

The item breaks down as follows:

	2023	2022
Sundry tax charges	2,760	2,371
Prior year expenses	2	-
Other operating expenses	219	211
Out-of-period other operating expenses	(14)	(4)
Total	**2,967**	**2,579**

This item totals EUR 2,967 thousand (compared to EUR 2,579 in 2022). Details of the main items are provided below.

Sundry tax charges of EUR 2,760 thousand, mainly referring to EUR 2,568 thousand in VAT that is non-deductible on a pro rata basis pursuant to Article 19-bis of Presidential Decree 633/72.

Other operating expenses of EUR 219 thousand, which includes the following expenses:

- EUR 195 thousand in membership fees;
- EUR 3 thousand in fines and penalties;
- EUR 21 thousand in other operating costs.

13.9 Amortisation, depreciation and impairments

This item refers to the impairment of receivables carried out during the year.

	2023	2022
Impairment of receivables	(1,935)	1,509
Total	**(1,935)**	**1,509**

Impairment of receivables reports a balance of negative EUR 1,935 thousand (EUR 1,509 thousand in 2022) and refers to the release of the bad debts provision.

15. (EXPENSES)/INCOME FROM FINANCING ACTIVITIES

15.1 Financial expenses

This item is broken down as follows:

	2023	2022
Interest expense in Mediaset cash-pooling with subsidiaries	21,787	5,300
Interest expense in Mediaset cash-pooling with affiliates and joint ventures	1,074	175
Interest expense on short-term loans	1,635	176
Interest expense on IRS	(13,095)	1,653
Interest expense on loans	44,681	14,635
Ancillary costs on loans	1,515	1,991
Financial expenses on collar for hedging of equity instruments	259	1,526
Exchange losses realised	47,963	60,607
Exchange losses unrealised	18,174	35,223
Other charges	665	
Out-of-period financial expenses	-	8
Total	**124,657**	**121,295**

The item totals EUR 124,657 thousand, which is down by EUR 3,362 thousand on the previous year.

Details of the main items are provided below.

Interest expense in MFE cash-pooling with subsidiaries and affiliates and joint ventures.

This item totalled EUR 22,861 thousand (EUR 5,475 thousand in 2022) and includes the interest accrued in 2023 on the intercompany cash pools opened by the subsidiaries, affiliates and joint ventures with MFE. The criteria and methods of settlement have already been commented under the item *Intercompany financial receivables.*

Financial expenses on collar for hedging of equity instruments

This item amounts to EUR 259 thousand (EUR 1,526 in 2022) and reports the pro-quota part of the *Dividend income* received from ProSiebenSat.1 Media SA.; as a result of the contractual agreements relating to the collar, the company pays this amount to the financial counterparty to the transaction, which is recognised in *Financial expenses*. The item also includes EUR 178 thousand as the share of dividend revenues received from the German broadcaster and attributable to the Spanish branch.

Interest expense on loans

The item amounts to EUR 44,681 thousand, increasing by EUR 30,046 thousand compared to the previous year. This item comprises interest on loans calculated at amortised cost, and is broken down as follows:

- EUR 2,171 thousand due to Mediobanca;
- EUR 11,013 thousand due to Intesa Sanpaolo;
- EUR 19,017 thousand due to UniCredit;
- EUR 4,667 thousand due to BPER Banca;
- EUR 237 thousand due to Credit Suisse International;
- EUR 6,037 thousand due to BNL;
- EUR 1,539 thousand due to BPM.

Ancillary costs on loans

The item amounts to EUR 1,515 thousand, decreasing EUR 476 thousand compared to the previous year. This item represents the fees both for the utilisation and non-utilisation of the medium/long-term credit facilities.

The most significant amounts are as follows:

- EUR 224 thousand with Intesa Sanpaolo;
- EUR 706 thousand with BNL;
- EUR 313 thousand with BPM;
- EUR 105 thousand with BPER BANCA;
- EUR 167 thousand with BBVA;

Interest expense on IRS

This item amounts to negative EUR 13,095 thousand (EUR 1,653 in 2022) and refers to annual income resulting from the difference between the negotiated fixed rate and the variable market rate. For this type of derivative, the increase in market rates during 2023 actually had a positive impact on their present value. At the year-end of 2023, there were nine IRS contracts in place with different lending institutions, six maturing in 2027 and three maturing in 2025.

Interest expense on short-term loans

This item reports a balance of EUR 1,635 thousand (EUR 176 thousand in 2022).

The item mainly consists of interest accrued on short-term loans with:

- EUR 350 thousand with BPER Banca;
- EUR 1,170 thousand with Banca Nazionale del Lavoro;
- EUR 108 thousand with UniCredit;
- EUR 7 thousand with Intesa Sanpaolo.

15.2 Financial income

This item is broken down as follows:

	2023	2022
Interest income on Mediaset cash-pooling with subsidiaries	17,982	8,922
Interest income on Mediaset cash-pooling with associates and joint ventures	79	22
Interest income on current accounts	2,462	30
Interest income on deposits	401	-
Financial income from lending	-	354
Exchange gains realised	47,988	60,629
Exchange gains unrealised	18,163	35,211
Other financial income	3,059	764
Total	**90,133**	**105,933**

The item totals EUR 90,133 thousand, which is down EUR 15,800 thousand on the previous year.

Foreign exchange gains and losses

The overall balance for the year from foreign exchange gains and losses (realized and unrealized) was a gain of EUR 14 thousand (a gain of EUR 11 thousand at 31 December 2022). This reflects the gain from foreign exchange hedging with the conclusion of trading contracts with third parties in favour of subsidiary R.T.I. S.p.A. and the joint venture company Boing S.p.A., which give rise to the risk hedged. Pursuant to IFRS 9, these contracts cannot be classified as hedging contracts and therefore the related changes in fair value are recognised in the income statement.

Interest income on cash-pooling with subsidiaries, associates and joint ventures

This item totalled EUR 18,061 thousand (EUR 8,944 thousand in 2022) and includes the interest accrued in 2023 on the intercompany cash pools opened by subsidiaries, associates and joint ventures with MFE. The recognition criteria and methods of settlement have already been commented under the item *Intercompany financial receivables*.

Financial income from lending

In 2022, this item amounted to EUR 354 thousand. It was reduced to nil during the year given that the last entry dates back in May 2022, whereupon the item ceased to be carried through the income statement

The table below shows financial income and expenses broken down into the categories required by IFRS 9 and other categories not required, both for the current and previous year.

IFRS 9 categories	**31/12/2023**	**31/12/2022**
Liabilities at amortised cost	(57,848)	(25,496)
Assets at amortised cost	22,879	9,329
FVTPL Assets/(Liabilities)	447	801
	(34,522)	**(15,367)**
Other financial income and charges	(2)	5
Total	**(34,524)**	**(15,362)**

15.3 Income (expenses) from equity investments

Dividends from subsidiaries

This item includes the dividends received from subsidiary Mediaset Italia S.p.A., as shown below:

	2023	2022
Mediaset Investment N.V.	-	2,377
Mediaset S.p.A.	18,000	-
Total	**18,000**	**2,377**

Dividends from associates

This item includes the dividends received from associate EI Towers S.p.A. and associate ProSiebenSat. 1 Media SE, as shown below:

	2023	2022
EI Towers S.p.A.	19,600	24,000
ProSiebenSat.1 MEDIA SE	2,941	-
Total	**22,541**	**24,000**

These dividends were fully collected during the year.

Dividends from other companies

This item recognises the dividends decided by and received from ProSiebenSat.1 Media SE., as accrued from the portion still classified under *Investments in other companies* in accordance with IFRS9.

	2023	2022
ProSiebenSat.1 MEDIA SE	382	21,864
Total	**382**	**21,864**

For the EUR 3,323 thousand in dividends collected by the German broadcaster ProSiebenSat.1 Media SE, due to the derivatives taken out as part of the share purchase transaction, a EUR 259 thousand portion of those derivatives, due to the financial counterparty of the transaction, was recognised in the income statement as *Financial expenses*.

Other income from equity investments

This item recognises income of EUR 1,309 thousand received from the liquidated company Mediaset Investment N.V. following the completion of the liquidation process during the first quarter of 2023.

16. INCOME TAX FOR THE YEAR

	2023	2022
IRES expense/(income) from tax consolidation	(11,261)	(6,888)
Deferred tax expense/(income) - Spanish branch	856	-
Total current taxes	**(10,406)**	**(6,888)**
Provision for deferred tax liabilities	-	1
Total deferred tax liabilities	**-**	**1**
Utilisations of credit from deferred tax assets	628	177
Accruals of deferred tax assets	(148)	(544)
Total deferred tax assets	**480**	**(367)**
Total	**(9,926)**	**(7,254)**

The item Income taxes for the year is broken down as follows:

- EUR 11,261 thousand in IRES tax income from tax consolidation, made up of EUR 11,253 thousand in IRES tax expense for the year and EUR 8 thousand in IRES tax income for previous years;
- EUR 856 thousand as the direct tax expense to be allocated to the Spanish Branch.
- EUR 480 thousand in net utilisation of advances, made up of utilisations of EUR 628 thousand, net of additions of EUR 148 thousand.

During the period under review, the company had no tax base for IRAP purposes.

NOTES ON THE MAIN ITEMS OF THE STATEMENT OF CASH FLOWS

17. STATEMENT OF CASH FLOWS

17.1 CHANGES IN CURRENT ASSETS/LIABILITIES

The item mainly includes the change in other receivable and current asset and other current liabilities and the exchange differences in the cash settlement of the derivative instruments hedging the exchange rate risk for the ineffective portion of the hedge relationship.

17.2 DIVIDENDS RECEIVED

The item includes the dividend received from EI Towers S.p.A. (carried through the income statement for EUR 19,600 thousand), the total dividend of EUR 66,000 thousand received from Mediaset S.p.A. (of which EUR 18,000 thousand carried through the income statement) and dividends of EUR 3,323 thousand from ProSiebenSat.1 Media SA net of financial charges of EUR 259 thousand. Following the completion of the liquidation process of subsidiary Mediaset Investment NV, a further EUR 1,309 thousand in dividend income was received.

17.3 PAYMENTS/COLLECTIONS FOR EQUITY INVESTMENTS

This item includes the increase in the equity investment in direct subsidiary Mediaset Espana Comunicación SA due to the acquisition of an additional stake of EUR 15,539 thousand prior to the approval of cross-border merger by incorporation. The item also includes an additional EUR 68,823 thousand investment in German broadcaster ProSiebenSat. 1 Media SA. Finally, the item also includes the payment of EUR 100 thousand for newly established company MFE Advertising S.p.A., a wholly owned subsidiary of MFE.

17.4 NET CHANGES FOR CASH POOLING

The line item refers to the net change in the balance of the cash-pooling held with subsidiaries, associates and joint ventures for centralised treasury management purposes.

17.6 DIVIDENDS PAID

This line item mainly refers to dividends paid out dividends for a total EUR 140,056 thousand, of which EUR 58,904 thousand to the parent company Fininvest S.p.A.

17.7 OTHER FINANCIAL ASSETS/LIABILITIES PAID

This item refers to repaid loans and credit facilities.

17.8 OTHER FINANCIAL ASSETS/LIABILITIES RECEIVED

This item refers to new medium/long-term loans taken out with various credit institutions.

COMMITMENTS AND GUARANTEES

Bank guarantees given

The Company took out bank guarantees on behalf of subsidiaries and associates. In particular, MFE – MEDIAFOEUROPE N.V. guaranteed a total amount of EUR 3,533 thousand (EUR 3,029 thousand at 31 December 2022). Among the most significant bank guarantees issued are the EUR 1,434 thousand guarantee stipulated in favour of the subsidiary R.T.I. S.p.A., with Generali Real Estate S.p.A. SGR as beneficiary.

Forward financial transactions

MFE - MEDIAFOEUROPE N.V. operates directly with financial counterparties to hedge the exchange rate risk of subsidiaries, associates and joint ventures.

The Group's business structure clearly highlights the central role of commercial television operations. This results in the need to deal with the leading international producers of films and sporting events to purchase television broadcasting rights (negotiated mainly in foreign currency such as USD), consequently exposing the Group to risks associated with fluctuations in exchange rates.

Financial derivative instruments are used to reduce these risks, as illustrated below.

Group treasury activities are essentially centralised within MFE - MEDIAFOREUROPE N.V., which operates with Italian and foreign financial counterparties.

The Board of Directors of MFE - MEDIAFOREUROPE N.V. has approved a financial risks policy which establishes that the Finance Division shall quantify the maximum limits of exchange rate and interest rate risk that may be taken on, and defines the characteristics of suitable counterparties.

The EUR 339,143 thousand in commitments (EUR 409,591 thousand at 31 December 2022) refer to exchange rate-hedging currency transactions.

Lastly, derivatives entered into with third parties to hedge exchange rate risk are to be considered mirroring those entered into with indirect subsidiary R.T.I. S.p.A. and joint venture Boing S.p.A.

Other information

Interest rate hedging derivatives (IRS) include one existing contract entered into in 2020, as well as another eight contracts entered into during the previous reporting year to hedge four medium/long-term loans taken out with Banca Intesa Sanpaolo, UniCredit and BNP Paribas. It bears noting that of the derivative contracts outstanding at the end of the year, three have maturity dates in 2025 and the remaining six have maturity dates in 2027.

Furthermore, in May 2023 a reverse collar agreement for the purchase of call options and the sale of put options on shares, entered into in 2022 with counterparty BNP Paribas SA, was closed out early. Shares in investee ProSiebenSat.1 Media SE formed the underlying for this agreement.

DISCLOSURES ON FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES

Classes of financial instruments

The breakdown of financial assets and liabilities required by IFRS 7 in the categories established by IFRS 9 are illustrated below, both for the current and previous years.

BALANCE SHEET ITEM	IFRS 9 categories				
	Derivative assets	FVTOCI financial assets	Financial assets at amortised cost	Carrying amount	Explanatory notes
Non-current assets					
Other non-current financial assets					
Other equity investments	-	42,883	-	42,883	5.5
Hedging derivatives	3,536	-	-	3,536	5.6
Non-hedging derivatives with subsidiaries	-		-	-	5.6
Non-hedging derivatives with third parties	5,066	-	-	5,066	5.6
Financial receivables	-	-	8,642	8,642	5.6
Current assets					
Trade receivables					
From customers	-	-	1	1	6.2
To MFE Group companies	-	-	277	277	6.2
Current financial assets					
Hedging derivatives with third parties	27,860	-	-	27,860	6.6
Non-hedging derivatives with third parties	2,868	-	-	2,868	6.6
Non-hedging derivatives - subsidiaries	1,541	-	-	1,541	6.6
Non-hedging derivatives - joint ventures	-		-	-	6.6
Cash and cash equivalents					
Bank and postal deposits	-	-	100,105	100,105	6.7
Intercompany financial receivables - subsidiaries	-	-	100,676	100,676	6.5
Intercompany financial receivables - associates and joint ventures	-	-	865	865	6.5
TOTAL FINANCIAL ASSETS	**40,870**	**42,883**	**210,566**	**294,320**	

BALANCE SHEET ITEM	IFRS 9 categories Derivative liabilities	 Financial liabilities at amortised cost	Carrying amount	Explanatory notes
Non-current financial payables and liabilities				
Payables to: banks	-	698,055	698,055	9.3
Hedging derivatives	-	-	-	9.3
Non-hedging derivatives with third parties	-	-	-	9.3
Non-hedging derivatives with subsidiaries	5,066	-	5,066	9.3
Current liabilities				
Payables to: banks				
Payables to: banks	-	204,504	204,504	10.1
Credit facilities	-	27,000	27,000	10.1
Trade payables				
To suppliers	-	2,508	2,508	10.2
To MFE Group companies	-	2,059	2,059	10.2
To Fininvest Group and Mediolanum Group companies	-	28	28	10.2
Other financial liabilities				
Hedging derivatives - third parties	451	-	451	10.6
Non-hedging derivatives with third parties	1,551	-	1,551	10.6
Non-hedging derivatives - subsidiaries	2,868	-	2,868	10.6
Non-hedging derivatives - joint ventures	-	-	-	10.6
Short-term financial payables - subsidiaries	-	-	-	10.6
Intercompany financial payables - subsidiaries	-	703,759	703,759	10.5
Intercompany financial payables - associates and joint ventures	-	39,195	39,195	10.5
TOTAL FINANCIAL LIABILITIES	**9,936**	**1,677,107**	**1,687,043**	

BALANCE SHEET ITEM	IFRS 9 categories			Carrying amount	Explanatory notes
	Derivative assets	FVTOCI financial assets	Financial assets at amortised cost		
Other financial assets					
Other equity investments	-	229,998	-	229,998	5.5
Hedging derivatives	33,864	-	-	33,864	5.6
Non-hedging derivatives with subsidiaries	23		-	23	5.6
Non-hedging derivatives with third parties	9,291	-	-	9,291	5.6
Financial receivables	-	-	8,642	8,642	5.6
CURRENT ASSETS					
Trade receivables					
From customers	-	-	1	1	6.2
To MFE Group companies	-	-	337	337	6.2
Current financial assets					
Hedging derivatives with third parties	16,578	-	-	16,578	6.6
Non-hedging derivatives with third parties	7,622	-	-	7,622	6.6
Non-hedging derivatives - subsidiaries	3,428	-	-	3,428	6.6
Cash and cash equivalents					
Bank and postal deposits	-	-	20,044	20,044	6.7
Intercompany financial receivables - subsidiaries	-	-	624,962	624,962	6.5
Intercompany financial receivables - associates and joint ventures	-	-	1,795	1,795	6.5
TOTAL FINANCIAL ASSETS	**70,807**	**229,998**	**655,782**	**956,587**	

BALANCE SHEET ITEM	IFRS 9 categories: Derivative liabilities	IFRS 9 categories: Financial liabilities at amortised cost	Carrying amount	Explanatory notes
Payables and financial liabilities				
Payables to: banks	-	973,637	973,637	9.3
Hedging derivatives	8,134	-	8,134	9.3
Non-hedging derivatives with third parties	23	-	23	9.3
Non-hedging derivatives with subsidiaries	9,291	-	9,291	9.3
CURRENT LIABILITIES				
Payables to: banks				
Payables to: banks	-	259,039	259,039	10.1
Credit facilities		6,002	6,002	
Trade payables				
To suppliers	-	2,505	2,505	10.2
To MFE Group companies	-	554	554	10.2
To Fininvest Group and Mediolanum Group companies	-	20	20	10.2
Other financial liabilities				
Hedging derivatives - third parties	2,646	-	2,646	10.6
Non-hedging derivatives with third parties	3,439	-	3,439	10.6
Non-hedging derivatives - subsidiaries	7,622	-	7,622	10.6
Short-term financial payables - subsidiaries	-	842	842	10.6
Intercompany financial payables - subsidiaries	-	910,524	910,524	10.5
Intercompany financial payables - associates and joint ventures	-	47,391	47,391	10.5
TOTAL FINANCIAL LIABILITIES	**31,155**	**2,200,514**	**2,231,669**	

Fair value of financial assets and liabilities, and calculation models and input data used

Please see below an analysis of the fair value measurement of financial instrument classes, broken down based on the methodologies and the models used to calculate them, both for the current and previous years.

Note that the tables do not show the financial assets and liabilities recognized at amortised cost whose fair value is approximate to their carrying amount, and that the fair value of derivatives represents the net position between assets and liabilities.

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

- euro curves for estimating forward rates and discount factors;
- ECB spot exchange rates;
- forward rates calculated by Bloomberg;
- Euribor fixings;
- quoted CDS (credit default swap) mid spreads of the various counterparties (if available);
- MFE - MEDIAFOREUROPE N.V. credit spread.

	Carrying amount	Mark to Market	Mark to Model			Total fair value	Explanatory notes
			Black & Scholes model	Binomial model	DCF model		
Payables to: banks	**(902,557)**	**-**	**-**	**-**	**(911,386)**	**(911,386)**	9.3/10.1
Other equity investments	**42,883**	**42,883**	**-**	**-**	**-**	**42,883**	6
Non-Hedging derivatives							
Forward contracts with third parties	6,382	-	-	-	6,382	6,382	6.6/10.6
Forward contracts with subsidiaries/associates and joint ventures	(6,393)	-	-	-	(6,393)	(6,393)	6.6/10.6
Cash flow hedging derivatives							
Interest Rate Swap	16,938	-	-	-	16,938	16,938	9.3/10.6
Equity instrument hedges							
Call options on shares	(450)	-	(450)	-	-	(450)	9.3/10.6
Put options on shares	14,458	-	14,458	-	-	14,458	5.6/6.6

	Carrying amount	Mark to Market	Mark to Model			Total fair value	Explanatory notes
			Black & Scholes model	Binomial model	DCF model		
Payables to: banks	**(1,232,675)**	**-**	**-**	**-**	**(1,250,492)**	**(1,250,492)**	9.3/10.1
Other equity investments	**229,998**	**229,998**	**-**	**-**	**-**	**229,998**	6
Non-Hedging derivatives							
Forward contracts with third parties	13,451	-	-	-	13,451	13,451	6.6/10.6
Forward contracts with subsidiaries/associates and joint ventures	(13,463)	-	-	-	(13,463)	(13,463)	6.6/10.6
Cash flow hedging derivatives							
Interest Rate Swap	33,113	-	-	-	33,113	33,113	9.3/10.6
Equity instrument hedges							
Call options on shares	9,289	-	9,289	-	-	9,289	9.3/10.6
Put options on shares	(2,740)	-	(2,740)	-	-	(2,740)	5.6/6.6

The fair value of payables due to banks was calculated considering the credit spread of MFE – MEDIAFOREUROPE N.V., which also included the short-term portion of medium/long-term loans.

The fair value of trade receivables and payables due within the financial year was not calculated, since their carrying amount approximate their fair value.

The fair value of trade receivables and payables due within the financial year was not calculated, since their carrying amount is approximate to their fair value. 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 fair value of financial payables due within the financial year has not been calculated, since their carrying amount is approximate to their fair value. The fair value calculation for financial payables due in subsequent financial years also includes the portion due within 12 months from the reporting date.

In addition, the table does not include financial assets and liabilities for which the fair value cannot be objectively calculated.

The financial assets and liabilities recognized in the financial statements at fair value have also been classified based on the fair value hierarchy established by the accounting 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	Carrying Amount	level I	level II	level III	Total Fair Value	Notes notes
Other equity investments	**42,883**	**42,883**	**-**	**-**	**42,883**	6
Non-cash flow hedging derivatives:						
- Forward contracts with third parties	6,382	-	6,382	-	6,382	6.6/10.6
- Forward contracts with subsidiaries/associates and joint ventures	(6,393)	-	(6,393)	-	(6,393)	6.6/10.6
Cash flow hedging derivatives:						
- Interest Rate Swap	16,938	-	16,938	-	16,938	9.3/10.6
Equity instrument hedges						
- Call options on shares	(450)	-	(450)	-	(450)	9.3/10.6
- Put options on shares	14,458	-	14,458	-	14,458	5.6/6.6

The Company has identified only two hierarchical levels for instruments measured at fair value (net of the fair value relating to equity investments in listed companies), as it uses valuation models that are based on observable market values.

Financial expenses and income recognised in compliance with IFRS 9

The financial expenses and income figures are shown below, broken down according to the categories established by IFRS 9.

FY 2023

IFRS 9 categories	From interest	At fair value	Foreign exchange gains/losses	Net gains/(losses)
FVTPL Assets/(Liabilities)	-	440	7	447
Liabilities at amortised cost	(57,855)	-	7	(57,848)
Assets at amortised cost	22,879	-	-	22,879
Total IFRS 9 categories				**(34,522)**

FY 2022

IFRS 9 categories	From interest	At fair value	Foreign exchange gains/losses	Net gains/(losses)
FVTPL Assets/(Liabilities)	-	758	42	800
Liabilities at amortised cost	(25,465)	-	(31)	(25,496)
Assets at amortised cost	9,329	-	-	9,329
Total IFRS 9 categories				**(15,367)**

Capital management

The capital management objectives of MFE – MEDIAFOREUROPE N.V. are to protect the Group's ability to continue to, firstly, guarantee profitability for its shareholders, its stakeholders' interests and compliance with covenants and, secondly, to maintain an optimal capital structure.

Types of financial risks and related hedging

The Board of Directors of MFE – MEDIAFOREUROPE N.V. has developed specific policies for the management of the Group's financial risks, aimed at reducing its exposure to exchange rate risks, interest rate risks, price risks and liquidity risks the Group is exposed to: to optimise the structure of operating costs and resources, this activity is centralised within the group parent MFE – MEDIAFOREUROPE N.V., which has been entrusted with the task of collecting the information regarding the positions exposed to risk and hedging them, where necessary.

To this end, MFE – MEDIAFOREUROPE N.V. acts directly on the market and performs control and coordination of financial risks for Group companies. The selection of the financial counterparts focuses on those with a high credit standing while also ensuring a limited concentration of exposures towards them.

Foreign exchange risk

MFE – MEDIAFOREUROPE N.V. acts as an intermediary in managing exchange rate risk for the purpose of eliminating the effects of exchange rate fluctuations which mainly impact the indirect subsidiary R.T.I. S.p.A. as a result of purchases of television broadcasting rights that are mainly negotiated in US dollars.

MFE – MEDIAFOREUROPE N.V. collects information pertaining to the positions of the indirect subsidiary R.T.I. S.p.A. which are subject to exchange rate risk and, once the derivatives are entered into on the market, transfers them to R.T.I. S.p.A. by entering into a mirror intercompany contract under identical terms and conditions.

The type of derivatives mainly used are forward purchases.

MFE – MEDIAFOREUROPE N.V. establishes the accounting treatment for these contracts (with the market and, for example, with the indirect subsidiary R.T.I. S.p.A.), classifying them as intermediation contracts. Accordingly, these contracts are reported by recording the changes in fair value in the income statement as "forex gains and losses realised and forex gains and losses from valuation", under financial (expenses)/income.

The fair value of currency forward contracts is determined as the discounted difference between the notional amount calculated using the contractual forward rate and the notional amount calculated using the forward exchange rate at the reporting date.

No sensitivity analysis has been conducted on exchange rates, as the relevant activities do not have significant impacts, given that they derive exclusively from intermediation, as shown above.

A table of financial derivatives is attached which shows the notional amount of the related contracts.

Interest rate risk

The structure of the Group involves all financial resources being centralised within the parent company MFE – MEDIAFOREUROPE N.V., by means of automated daily cash-pooling operations in which all Group companies participate. The parent company is fully entrusted with obtaining funding from the market by entering into medium/long term loans and formalising committed and uncommitted credit facilities.

The interest rate risk exposure of MFE – MEDIAFOREUROPE N.V. mainly originates from variable-rate financial payables, which expose the company to a cash flow risk. The company's objective is to limit the fluctuation of financial expenses that impact the financial result, thus limiting the risk of a potential rise in interest rates.

MFE – MEDIAFOREUROPE N.V. manages this risk by entering into financial derivatives contracts with third parties, aimed at setting in advance or reducing the variation in cash flows due to the market change in interest rates on medium/long-term debt. The time-frame considered significant for managing interest rate risk has been set at a minimum term of 18 months.

MFE – MEDIAFOREUROPE N.V. adopts hedge accounting from the date the derivative contract is entered into until the date of its extinction or expiry, documenting, by way of the "hedging relationship", the risk hedged and the purposes of the hedging, which it does by periodically checking the hedge effectiveness.

Specifically, the cash flow hedge methodology set out by IFRS 9 is used. According to this method, either the absolute change in the clean fair value of derivatives - that is, the fair value less accrued interest - or the fair value of the underlying, whichever is smaller, is charged to an equity reserve. The difference between that value and the total fair value is then charged to profit or loss at each reporting date. Both the fair value and the clean fair value are adjusted to take account of creditworthiness.

The effectiveness test is intended to show the high correlation between the technical and financial characteristics of the hedged liabilities (maturity, amount, etc.) and those of the hedging instrument through the application of specific retrospective and prospective tests, using the dollar off-set and volatility reduction measure methods, respectively.

The fair value of derivatives (IRS) is calculated by discounting future cash flows and adjusting the value for creditworthiness.

The existing derivative product portfolio is made up of nine IRSs, whose fixed rates, floors (if any) and maturity are shown below.

	Fixed rate	Variable rate	Floor	Validity	Maturity
Interest Rate Swap - INTESA SANPAOLO - EUR 150 million notional	-0.18%	Euribor 3M/360	- 1.00%		
trade date 20/04/2020				31/03/2020	28/03/2025
Interest Rate Swap - INTESA SANPAOLO - EUR 100 million notional	1.69%	Euribor 3M/360	- 1.00%		
trade date 27/06/2022				30/06/2022	28/03/2025
Interest Rate Swap - UniCredit - EUR 100 million notional	1.35%	Euribor 3M/360	- 0.80%		
trade date 09/05/2022				30/06/2022	20/01/2025
Interest Rate Swap - UNICREDIT - EUR 30.7 million notional	1.33%	Euribor 3M/360			
amortised					
trade date 27/07/2022				08/07/2022	12/07/2027
Interest Rate Swap - UNICREDIT - EUR 30.7 million notional	1.26%	Euribor 3M/360			
amortised					
trade date 28/07/2022				08/07/2022	12/07/2027
Interest Rate Swap - INTESA SANPAOLO - EUR 30.7 million notional	1.330%	Euribor 3M/360			
amortised					
trade date 27/07/2022				08/07/2022	12/07/2027
Interest Rate Swap - INTESA SANPAOLO - EUR 30.7 million notional	1.260%	Euribor 3M/360			
amortised					
trade date 28/07/2022				08/07/2022	12/07/2027
Interest Rate Swap - BNP PARIBAS SA - EUR 30.7 million notional	1.340%	Euribor 3M/360			
amortised					
trade date 27/07/2022				08/07/2022	12/07/2027
Interest Rate Swap - BNP PARIBAS SA - EUR 30.7 million notional	1.260%	Euribor 3M/360			
amortised					
trade date 28/07/2022				08/07/2022	12/07/2027

Interest rate risk sensitivity analysis

Financial instruments exposed to interest rate risk were subjected to a sensitivity analysis at the reporting date. The assumptions upon which the model is based are illustrated below:

- Medium/long-term payables underwent a symmetric fluctuation of 100 bps upwards and 100 bps downwards at the re-fixing date of the internal rate of return posted during the year.
- For short and medium/long-term revolving payables and other current financial items, the financial expenses were recalculated by applying a symmetric change of 100 bps upwards and 100 bps downwards to the values posted to the financial statements.
- For interest rate swaps, fair value was recalculated by applying an asymmetric shift of 100 bps upwards and 100 bps downwards to the interest rate curve at the reporting date. The ineffective portion was calculated based on the fair value restated using the adjusted interest rate curve;

The table below summarises the changes in profit or loss for the year and in shareholders' equity, following the sensitivity analysis carried out net of the relevant taxes calculated on the basis of the standard tax rate in force at 31 December 2021:

Years	Change in bps	Profit/Loss	Shareholders' Equity Reserve	Total Shareholders' Equity
2023	100.0	-7,369.0	6,452.0	**-917.0**
	-100.0	7,399.0	-6,680.0	**719.0**
2022	100.0	-5,133.0	10,189.0	**5,056.0**
	-100.0	4,759.0	-10,605.0	**-5,846.0**

Price risk sensitivity analysis

To hedge the risk of fair value changes caused by fluctuations in the share price of Prosieben, the Company has agreed put and call options (collars), which enable share price fluctuations to be contained within a corridor of 90%-120% of their initial value.

The economic effect of the hedge is, first of all, to set a maximum level based on the strike price of the call options sold and, secondly, to set a minimum value based on the strike price of the put options bought.

As at 31 December 2023, only around half of the first tranche of options over a total of 2,797,752 shares, expiring in November 2024, was outstanding. ProsiebenSat's share price was EUR 5.534 and, therefore, the put options acquired with a strike price of EUR 10.17 were "in the money", with an intrinsic value of EUR 12.97 million.

However, if we imagine a price per share of EUR 14.13 (+125% of the initial share price of EUR 11.3), the call options sold at a strike rate of EUR 13.56 would now be "in the money" and would therefore have an intrinsic value of - EUR 1.59 million and 100% effectiveness.

This change in intrinsic value would have an impact on the shareholders' equity reserve but would not impact profit or loss.

At 31 December 2023, options were outstanding over 4,951,250 shares in MFE MediaForEurope NV Sucursal en España, expiring in November 2024. The intrinsic value at the year-end was nil.

However, if we imagine a price per share of EUR 7.77 (+125% of the initial share price of EUR 6.212), the call options sold at a strike rate of EUR 7.27 would now be "in the money" and would therefore have an intrinsic value of - EUR 2.45 million and 100% effectiveness.

This change in intrinsic value would also have an impact on the shareholders' equity reserve but would not impact profit or loss.

Liquidity risk

Liquidity risk relates to the difficulty in finding funds to meet commitments.

This may be due to the unavailability of sufficient funds to satisfy financial commitments in accordance with the established terms and due dates upon the sudden revocation of uncommitted credit facilities or in the event that the Company has to settle its financial liabilities before their contractual maturity.

As already mentioned, the Group's treasury activities are centralised within MFE – MediaForEurope N.V., operating with domestic and financial counterparties, through the use of automatic daily cash pooling transactions.

The management of liquidity risk involves:

- maintaining an essential balance between the committed and uncommitted credit facilities to avoid a strain on liquidity if creditors request repayment;
- keeping average financial exposure during the year to substantially within 80% of the total value issued by lenders;
- the availability of short-term readily negotiable assets to cover any cash requirement.

Based on specific orders from MFE – MediaForEurope N.V., and in order to optimise the liquidity management, Group companies align the dates on which payments are due to almost all suppliers with the dates on which they will receive their most significant cash inflows.

The tables below show the Company's financial obligations, by contract maturity date considering the worst case scenario and at undiscounted values, considering the nearest date when the Company will be asked to make payment and showing the related explanatory notes for each class, for both the reporting year and the previous year.

Balance sheet items		Carrying amount	Time band From 0 to 3 months	From 4 to 6 months	From 7 to 12 months	From 1 to 5 years	Total financial flows	Explanatory notes
Financial liabilities								
Non-current loans and payables due to banks		749,756	9,463	9,470	19,053	779,717	817,703	9.3/10.1
Credit facilities and payables due to banks		179,803	28,373	125,165	41,321	-	194,859	10.1
Financial payables to subsidiaries		-	-				-	10.6
Payables to suppliers for rights			-	-	-	-	-	10.2
Payables to suppliers for professional consultants				-	-	-	-	10.2
Payables to suppliers for professional consultants		-	-	-	-	-	-	10.2
Payables to suppliers for television productions		-	-	-	-	-	-	
Financial liabilities IFRS16		58	5	5	10	38	58	10.2
Payables to other suppliers		2,508	2,508	-	-	-	2,508	10.2
Payables to MFE Group companies		2,059	2,059	-	-	-	2,059	10.2
Payables to Fininvest and Mediolanum Group companies		28	28	-	-	-	28	10.2
Intercompany financial payables - subsidiaries/associates and joint ventures		742,954	742,954	-	-	-	742,954	10.5
Short-term financial payables to subsidiaries		-	-	-	-	-	-	10.6
Total		**1,677,098**	**785,389**	**134,641**	**60,384**	**779,755**	**1,760,169**	
Derivatives								
Non-hedging derivatives with third parties (currency acquisitions)	measured at contract exchange rate	(6,382)	111,634			49,540	161,174	6.6-10.6
Non-hedging derivatives with third parties (currency availability)	measured at year-end exchange rate	-	(113,261)			(56,323)	(169,584)	
Non-hedging derivatives with subsidiaries/joint ventures (currency sales)	measured at contract exchange rate	6,393	(111,630)			(49,540)	(161,170)	6.6-10.6
Non-hedging derivatives with subsidiaries/joint ventures (currency transfers)	measured at year-end exchange rate	-	113,268			56,323	169,591	
Interest rate hedging derivatives with third parties		(16,938)	-	-	-	-	-	10.6
Total		**(16,927)**	**11**	**-**	**-**	**-**	**11**	

Balance sheet items		Carrying amount	Time band: From 0 to 3 months	From 4 to 6 months	From 7 to 12 months	From 1 to 5 years	Total financial flows	Explanatory notes
Financial liabilities								
Non-current loans and payables due to banks		1,031,665	7,591	8,222	16,569	1,066,274	1,098,656	9.3/10.1
Credit facilities and payables due to banks		207,012	13,640	207,795	12,660	-	234,095	10.1
Payables to other suppliers		2,505	2,505	-	-	-	2,505	10.2
Financial liabilities IFRS 16		30	2	2	5	-	9	10.2
Payables to MFE Group companies		554	554	-	-	-	554	10.2
Payables to Fininvest and Mediolanum Group companies		20	20	-	-	-	20	10.2
Intercompany financial payables - subsidiaries/associates and joint ventures		957,914	957,914	-	-	-	957,914	10.5
Short-term financial payables to subsidiaries		842	842	-	-	-	842	10.6
Total		**2,200,542**	**983,068**	**216,019**	**29,234**	**1,066,274**	**2,294,595**	
Derivatives								
Non-hedging derivatives with third parties (currency acquisitions)	measured at contract exchange rate	(13,451)	127,168	-	-	76,393	203,561	6.6-10.6
Non-hedging derivatives with third parties (currency availability)	measured at year-end exchange rate	-	(131,974)	-	-	(89,181)	(221,155)	
Non-hedging derivatives with subsidiaries/joint ventures (currency sales)	measured at contract exchange rate	13,463	(127,646)	-	-	(76,393)	(204,039)	6.6-10.6
Non-hedging derivatives with subsidiaries/joint ventures (currency transfers)	measured at year-end exchange rate	-	132,464	-	-	89,181	221,645	
Interest rate hedging derivatives with third parties		(33,113)	22	-	-	-	22	10.6
Total		**(33,101)**	**34**	**-**	**-**	**-**	**34**	

The difference between the carrying amounts and the total of the financial flows is mainly due to the interest calculated on the contractual duration of the amounts due to banks. In addition, for loans measured at amortised cost, interest is calculated using the nominal rate instead of the effective interest rate.

With reference to the section relating to financial derivatives, the contractual exchange rate means the forward exchange rate set at the date of entry into the contract, whereas the year end rate means the spot rate at the reporting date.

To allow for a better understanding of this table, and to factor in the exchange rate risk management activities performed by MFE – MediaForEurope N.V., the positive cash flows from currency sales to subsidiaries and joint ventures have also been included.

Credit risk

In relation to financial counterparties other than Group companies, MFE – MediaForEurope N.V. does not have significant concentrations of credit risk or solvency risk.

The tables below show that, when we analyse counterparty type, the trade and financial receivables due from non-Group parties and the related impairments recorded during the year are of an immaterial amount.

SITUATION OF RECEIVABLES

RISK CLASSES	Total receivables	Due within 0-30 days	30-60 days	60-90 days	More than	Total	Receivables impairment
Trade receivables							
Other receivables	1	-	-	-	-	-	
Receivables from MFE Group	277	-	-	-	32	32	
Total	**278**	**-**	**-**	**-**	**32**	**32**	**-**
Financial receivables							
Other financial assets	8,642						
Bank deposits	100,105						
Hedging derivatives with third parties	31,396						
Non-hedging derivatives with third parties	9,474						
Non-Hedging derivatives - subsidiaries, associates and joint ventures	-						
Intercompany financial receivables - associates and joint ventures	865						
Intercompany financial receivables from subsidiaries	100,676						
Total	**251,158**						

SITUATION OF RECEIVABLES

RISK CLASSES	Total receivables	Due within 0-30 days	30-60 days	60-90 days	More than	Total	Receivables impairment
Trade receivables							
Other receivables	2	-	-	-	-	-	
Receivables from MFE Group	337	-	-	-	32	32	
Total	**339**	**-**	**-**	**-**	**32**	**32**	**-**
Financial receivables							
Other financial assets	8,642						
Bank deposits	20,044						
Hedging derivatives with third parties	50,442						
Non-hedging derivatives with third parties	16,913						
Non-Hedging derivatives - subsidiaries, associates and joint ventures	3,450						
Intercompany financial receivables - associates and joint ventures	1,795						
Intercompany financial receivables from subsidiaries	624,962						
Total	**726,248**						

The table below shows changes in the provision for bad debts for both the current and previous years.

Provision for bad debts	31/12/23	31/12/22
Opening balance	6,897	5,388
Accruals for the year	-	1,584
Release for the year	(1,935)	(75)
Closing balance	**4,962**	**6,897**

SUBSEQUENT EVENTS AFTER 31 DECEMBER 2023

During the first quarter of the year, the Austrian antitrust authorities approved the notice filed prior to the cash-settled unwinding of the outstanding collar over MFE's 3.3% equity interest in **ProsiebenSat1** ("P7S1") and the repayment of the residual loan taken out by MFE upon acquiring an initial portion of the investment. As a result of these transactions, MFE's interest in P7S1 – which had until then been held through financial instruments – was now included in the calculation for antitrust purposes, with MFE now exceeding the de facto control thresholds provided for in EU and Austrian antitrust law. In the third quarter of 2023, a similar procedure was also successfully completed with the European antitrust authorities. Following the positive outcome of these procedures, MFE obtained the authorization to hold *a controlling interest* in P7S1.

From an accounting point of view, since the conditions on the basis of which, starting from 30 June 2023, MFE had identified the presence of significant influence on the investee pursuant to IAS 28 have not changed in the meantime, the investment will continue to be classified as an associate interest. In particular, after the subsequent settlement of the existing hedging instruments which took place on 15 March 2024, MFE's the entire shareholding in P7S1 - currently equal to 28.9% of the share capital, which net of treasury shares is equivalent to 29.7 % of the share of economic interests and voting rights (therefore also including the 3.3% share of the share capital which until 31 December 2023 had been classified and accounted for as a financial investment pursuant to IFRS 9) - will now be accounted as an associate interest.

Table of derivative instruments at 31 December 2023

(values in EUR thousand)

Underlyings / Transaction type	Interest rates and debt securities			Exchange rates			Equity		
	Carrying amount	Fair Value		Carrying amount	Fair Value		Notional value	Fair Value	
		Pos.	Neg.		Pos.	Neg.		Pos.	Neg.
Non-listed OTC derivatives									
Financial derivatives:									
- forward contracts with third parties									
USD purchases	-	-	-	192,000	7,900	1,551	-	-	-
USD sales	-	-	-	(4,609)	33	-	-	-	-
- intercompany forward contracts									
USD purchases	-	-	-	4,609	-	33	-	-	-
USD sales	-	-	-	192,008	1,541	7,900	-	-	-
- IRS on interest rates	534,174	16,938	-	-	-	-	-	-	-
- Share derivatives - Reverse Collar									
PUT purchases	-	-	-	-	-	-	-	-	-
CALL sales	-	-	-	-	-	-	-	-	-
- Share options									
PUT purchases	-	-	-	-	-	-	33,404	14,459	-
CALL sales	-	-	-	-	-	-	(42,889)	-	450
Total	**534,174**	**16,938**	**-**	**384,008**	**9,474**	**9,484**	**(9,485)**	**14,459**	**450**

List of equity investments in subsidiaries and associates at 31 December 2023 (Art. 2427(5) of the Civil Code)

(values in EUR thousand)

Name	Registered office		Share capital	Carrying share shares	Shareholders' equity Total value	Shareholders' equity Total value A	Profit/Loss for the year Total value	Profit/Loss for the year Total value	Share capital interest	Number of price held	Carrying amount B	Value per sect. 2426(4) C.C. C	Differences B-A	Differences B-C
Subsidiaries														
Mediaset S.p.A.	Milan	Euro	600,000	1.00	1,325,579	1,325,579	25,755	25,755	100%	600,000,000	1,282,000	-	(43,579)	
GAM Grupo Audiovisual Mediaset Espana Communicacion S.A.U.	Madrid	Euro	190,060	1.00	638,300	638,300	82,116	82,116	100%	190,060,000	827,156	-	188,856	
MFE Advertising S.p.A.	Amsterdam	Euro	100	1.00	84	84	-16	-16	100%	100,000	100	-	16	
Associates and joint ventures														
Nessma S.A. (*)	Luxembourg	Euro	14,194	100.00	-11,019	-3,746	-245	-83	34%	48,435	-	-	3,746	
Nessma Broadcast S.a.r.l. (*)	Tunis	Euro	998	100.00	3,133	1,003	2,182	698	32%	9,490	468	-	(535)	
El Towers S.p.A.	Milan	Euro	2,826	0.01	906,867	362,747	23,227	9,291	40%	11,304,951	465,329	-	102,582	
ProSiebenSat1 Medias SA (**)	Unterfohring (Germany)	Euro	233,000	1.00	1,580,000	456,146	(134,000)	(38,686)	28,87%	67,267,100	513,846	-	57,700	

(*) The data refer to the latest available financial statements

(**) The data refer to the latest approved consolidated financial statements

HUMAN RESOURCES

STAFF COMPOSITION

The complex macroeconomic scenario of recent years has not prevented the Company from continuing its policy of investing in its employees, which it considers to be a valuable and essential asset for the future development of the enterprise.

In fact, ensuring staff welfare and appreciating their talents are core components of MFE's strategy, in the full knowledge that this is the factor on which the pursuit of corporate objectives depends.

Employee commitment and motivation are important ingredients for the Company's success, and it continues to provide its staff career development opportunities that take account of the benefits offered by their diverse backgrounds, skills and experience.

With that in mind, tools and processes are designed and supervised with a view to ensuring that staff are properly assessed and their careers in the Group constantly monitored right from the initial selection stage, by designing pathways of professional and managerial training that will develop its hallmark characteristics of behaviour.

In carrying out these activities and initiatives, MFE respects its employees' rights, safeguards their health and safety at work, provides equal opportunities, and fosters the career development of all staff whatever their gender, category or grade within the organization.

Staff numbers and geographical distribution

At the end of 2023, Mediaset's headcount was 3 permanent employees (three executives, of which two women and one man), which was up on the headcount at the end of 2022 due to the hiring of one Executive under a part-time employment contract with the Spanish branch.

The workforce is divided equally among the Company's offices in Italy, Germany and Spain.

Selection

The MFE Group pays constant attention to initial selection in order to ensure that it hires skilled and qualified staff, with the attitudes and motivation needed to work effectively within the organization's production and cultural environment, also with a view to aiding the process of internal career development.

The Group has always enjoyed great visibility and attractiveness, as witnessed by the number of unprompted applications received through the Working with us section of the Corporate website and linked to the websites of Group companies.

Training

During 2023, skills, language and sustainability training continued, with additional training in managerial areas.

The main initiatives carried out in 2023 were as follows:

Training hours by type

TRAINING	2023 hours	2022 hours
Languages	19	20
Skills	4	0.8
Management	7.5	
Sustainability	2.2	2.2
TOTAL	**32.7**	**23**

Occupational health and safety and prevention

The occupational health and safety (OHS) initiatives carried out in 2023 were still influenced by the COVID-19 public health emergency.

The MFE Group, therefore, continued to implement all measures necessary to combat and contain the spread of the Covid-19 virus in the workplace:

- making articles of PPE (e.g. masks) and hand disinfectant available to all employees, externals and other persons entering the Company's offices;
- ensuring that our premises are healthy places to work by increasing cleaning and by disinfecting spaces regularly;
- making it possible for employees and externals to be vaccinated against flu free of charge on the Company's premises and to undergo regular testing for SARS-CoV-2 virus (antibody, antigen and molecular tests);
- applying our smart working regime to a large number of employees/externals so as to limit attendance at the Company's offices;

Ongoing and newly scheduled occupational health and safety (OHS) activities were also carried out, including the following:

- consolidation of the **HSE (Health, Safety and Environment)** role, which integrates the existing Occupational Health and Safety Protection areas with the new **Environmental Protection** area, with a service deliverable to all MFE Group companies;
- adoption and implementation of the **Occupational Health and Safety Management System**, updated according to new European standard UNI ISO 45001:2018 and obtaining the related certification at Corporate level, issued by certification body DNV-GL (Det Norske Veritas);

- use of an IT system to support the "Management of Occupational Health and Safety Obligations" for the "Accident Management" and "Health Surveillance" systems and to manage other activities such as those for "Non-compliance", "Audits", "Legal obligations", etc., and the updating of the Health & Safety section on the Company's intranet site;
- use of a digital platform to specifically manage OHS compliance for "tender contracts" and the preparation of interference risk assessment reports;
- extension of the **European Certification for "Workplace that Promotes Health**" awarded by the European Network for Workplace Health Promotion (ENWHP), a well as having a Senior Management issued **"Workplace Health and Wellbeing Promotion" Policy.**
- maintenance of the "psychological listening and support desk" for employees, which is part of a series of sustainability initiatives implemented by the MFE Group for the wellbeing of employees;
- holding regular safety meetings (Article 35), consulting and engaging workers' representatives regarding the assessment of risks and the update of Risk Assessment Documents, identifying, planning, implementing and verifying prevention within the company;
- updating the Fire Risk Assessment Document under Ministerial Decree of 3 September 2021;
- on-site and employee equipment inspections carried out by the Group's OHS Officers and occupational medicine specialists;
- a continuing focus on worker health and safety, applicable legislation, emergency management and similar aspects across all workplaces.
- analysis of accidents and occupational diseases that affected employees, with no accidents detected and no occupational diseases registered;
- Fire drills/evacuation exercises at the Group's offices.
- analyses of the quality of work premises, measuring levels of chemical and biological pollutants and physical agents such as: electromagnetic fields, radon gas, noise, microclimate, etc;
- implementation of the Health Surveillance Plan, with the regularity provided for by law, including a medical examination.

Other Information

DISCLOSURE ON COMPANY'S BRANCH

On 18 September 2021, the Board of Directors of MFE resolved the opening, effectively from the date of resolution, of an Italian branch (sede secondaria, pursuant to Italian law) and that all of the Company's assets and liabilities were allocated to this Italian branch. This Italian Branch is domiciled in Viale Europa 46 – 20093 Cologno Monzese, Milan, Italy and registered in the Italian companies' register, maintaining the Italian tax code and VAT number that the Company had before the conversion into Dutch NV.

Mr Marco Giordani has been appointed as the legal representative (legale rappresentante, pursuant to Italian law) and Branch Manager of the Italian Branch, with the broadest powers of ordinary and extraordinary management of the Italian Branch and the power to represent the Italian Branch vis-à-vis third parties.

In addition, on 30 January 2023, the MFE Board of Directors approved the opening of a Spanish branch (sucursal en España) pursuant to Spanish law with registered office at Ctra. Fuencarral a Alcobendas, 4, 28050, Madrid, Spain.

DISTRIBUTION OF EARNINGS OF THE PARENT COMPANY

The Board of Directors has resolved to submit to the Shareholders' Meeting, to be held on 19 June 2024, the proposal for the distribution, in compliance with Articles 27 and 28 of the Articles of Association, of a gross ordinary dividend, relating to the fiscal year 2023, equal to 0.25 for each ordinary class A and class B share.

The aggregate amount of the proposed dividend, which will be paid using the profit for the year and available reserves, will vary depending on the actual number of outstanding shares on the ex-dividend date (thus excluding the treasury shares held at that date).

Indicatively, based on what can be assumed to date, it is expected that the dividend will be paid the 24 July 2024 (with ex-dividend date on 22 July 2024 and record date 23 July 2024).

Independent Auditors' Report

INDEPENDENT AUDITOR'S REPORT

To the shareholders of MFE-MediaForEurope N.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements for 2023 of MFE-MediaForEurope N.V. based in Amsterdam. In our opinion the accompanying financial statements give a true and fair view of the financial position of MFE-MediaForEurope N.V. as at December 31, 2023, and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
1. The consolidated and company statement of financial position as at December 31, 2023.
2. The following statements for 2023: The consolidated and company income statement, the consolidated and company statements of comprehensive income, changes in equity and cash flows.
3. The notes comprising material accounting policy information and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of MFE-MediaForEurope N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 28 million. The materiality is determined based on profit before tax. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

Audits of the group entities (components) were performed using materiality levels determined by the judgment of the group audit team, taking into account the materiality of the financial statements as a whole and the reporting structure within the group. Component materiality did not exceed EUR 17.9 million.

We agreed with the Board of Directors that misstatements in excess of EUR 1.4 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

MFE-MediaForEurope N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of MFE-MediaForEurope N.V.

Because we are ultimately responsible for our opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out on the entities. Our group audit is mainly focused on financially large entities in terms of size and financial interest or where significant risks or complex activities were present, leading to full audits performed for Mediaset SpA and Grupo Audiovisual Mediaset Espana Comunicacion SAU (2022: Two components) and two non-consolidated associates being EI Towers SpA and ProSiebenSat1 Media SE (2022: EI Towers SpA).

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence was obtained as a basis for our opinion on the group financial statements as a whole. The group audit team provided detailed instructions to the component auditors, reviewed the component audit team deliverables and if considered necessary, directed the planning, visited the components, and reviewed the audit files.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Audit approach fraud risks

In accordance with Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements, whether due to fraud or error. Inherent to our responsibilities for the audit of the financial statements, there is an unavoidable risk that material misstatements go undetected, even though the audit is planned and performed in accordance with Dutch law. The risk of undetected material misstatements due to fraud is even higher, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Also, we are not responsible for the prevention and detection of fraud and non-compliance with all laws and regulations. Our audit procedures differ from a forensic or legal investigation, which often has a more in-dept character.

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Board exercises oversight, as well as the outcomes. We refer to section "Disclosures of the Main Risks and Uncertainties to which the Group is Exposed" of the "Director's Report on Operations" for management's fraud risk assessment and section "Supervision" of the non-executive directors report in which the non-executive Board reflects on this fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists.

We evaluated whether these factors indicate that a risk of material misstatement due fraud is present. In connection with the presumed risk of financial statement fraud, we considered such risk in relation to management override of controls, including evaluating whether there was evidence of bias by the Board and other members of management. Additionally, we performed further procedures including, among others, the following:

- We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

- We considered available information and made enquiries of relevant executives, directors (including Legal Counsel, Internal Audit, the Compliance Department and Financial Reporting and Accounting) and those charged with governance. We have obtained written representations that all known instance of (suspected) fraud and other irregularities have been disclosed to us.

- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

- We evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

- We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 2 of the financial statements.

- We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements.

For significant transactions such as acquisitions we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the entity through discussion with amongst others, management, the Legal Counsel and those charged with governance and by, reading minutes and reports of internal audit.

We involved our forensic specialists in this evaluation.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (Corporate) tax law, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, MFE-MediaForEurope N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of MFE-MediaForEurope N.V.'s business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to MFE-MediaForEurope N.V.'s ability to continue its business, or to avoid material penalties (e.g. compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of Board of Directors, the Legal Counsel and others within MFE-MediaForEurope N.V. as to whether MFE-MediaForEurope N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

The financial statements have been prepared in accordance with the going concern assumption. The appropriateness of the going concern assumption depends on management's assessment of the expected company performance within its future economic environment. The Board of Directors believes that no events or conditions, give rise to doubt the ability of the group to continue in operation during at least twelve months after the adoption of the financial statements.
We have obtained management's assessment of the entity's ability to continue as a going concern and have assessed the going concern assumption applied.
As part of our procedures, we evaluated whether sufficient appropriate audit evidence has been obtained regarding, and have concluded on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the consolidated financial statements. Based on these procedures, we did not identify any reportable findings related to the entity's ability to continue as going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board of Directors. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

International group structure and coordination of the group audit

Description

As described in the "scope of the group audit" paragraph, MFE-MediaForEurope N.V. is primarily operating in two countries and holds two significant associates. Consequently, to be able to conclude on the audit of the consolidated statements, we are overseeing the work performed by component auditors. The coordination of the global audit procedures, including those on the two significant associates, is the most significant part of our group audit engagement and therefore we have identified this as a key audit matter.

How the key audit matter was addressed in the audit

Our audit procedures to address the key audit matter identified started with, among others, obtaining an understanding of the Group, including inquiries with the Board of Directors regarding risks of material misstatements due to error, fraud or non-compliance with laws and regulations. We also obtained an understanding of the process for identifying and responding to these risks, including the relevant group-wide policies and procedures.

Our response furthermore comprised of a risk assessment, the determination of the group audit scope and instructions to component auditor focusing specifically on risks of material misstatements due to error, fraud or non-compliance with laws and regulations.

- For Mediaset SpA and Grupo Audiovisual Mediaset Espana Comunicacion SAU the group audit team provided detailed instructions to the component auditors, reviewed the component audit team deliverables and if considered necessary, directed the planning, visited the components, and reviewed the audit files.

- For EI Towers SpA and ProSiebenSat1 Media SE the group audit team provided detailed instructions to the component auditors, reviewed the component audit team deliverables and discussed the outcome of the audit of the component auditor.

Our observation

The scope and nature of the procedures performed were appropriate and sufficient to address the key audit matter. Our procedures did not result in any reportable matters.

Revenue recognition

Description

The consolidated statement of income includes Television Advertising Revenues amounting to EUR 2,299 million. As reported in the explanatory notes, Television Advertising Revenues are recognized at a point in time, when the advertisement is broadcasted.

Given the significance of the amount, the high number and variety of contractual conditions applied to the customers and the complexity of the IT systems we concluded this to be a key audit matter.

How the key audit matter was addressed in the audit

To evaluate the correct recognition and measurement of Television Advertising Revenues, the main procedures we performed were:

- Obtained an understanding of the relevant controls adopted by the Group on Television Advertising Revenues recognition.
- Verified the operating effectiveness of relevant controls related to the billing and advertising tracking process, also with the assistance of IT specialists of the Deloitte Network.
- Reconciled the total advertisements broadcasted during 2023, extracted from the advertising tracking IT system, with the total revenues accounted and billed/to be billed to customers to verify recognition in the correct reporting period.
- Performed a test of details, on a sample basis, of sales transactions by verifying supporting documentation (for example contracts, invoices and collections).
- Performed a trend analysis on the main components (volume and discounts) for Television Advertising Revenues accounted for in 2023 and first months of 2024.
- Performed an assessment of compliance of revenue recognition disclosure compared to the applicable accounting standards requirements.

Our observation

The scope and nature of the procedures performed were appropriate and sufficient to address the key audit matter. Our procedures did not result in any reportable matters.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Report of the Board of Directors.
- Corporate Governance Report.
- Remuneration Report.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the Shareholder as auditor of MFE-MediaForEurope N.V. on June 23, 2021 as of the audit for year December 31, 2021 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Format (ESEF)

MFE-MediaForEurope N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report, prepared in XHTML format, including the (partly) marked-up consolidated financial statements, as included in the reporting package of MFE-MediaForEurope N.V. complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.
We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance and the XBRL extension taxonomy files has been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code and for the preparation of the report of the Board of Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless the Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- Concluding on the appropriateness of the Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine the key audit matters: Those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, April 17, 2024

Deloitte Accountants B.V.

E. Scheffer