# INTERIM FINANCIAL REPORT AT 30 JUNE 2024

**MEDIAFOREUROPE N.V.**
Registered Office: Amsterdam, Netherlands
Headquarters and Tax Residence: Viale Europa 46, 20093 Cologno Monzese, Milan, Italy
Share Capital: EUR 161,649,413.76
Registered with the Dutch Chamber of Commerce (CCI number): 83956859
Italian Tax Code and VAT Number: IT 09032310154
Website: https://www.mfemediaforeurope.com/

# Summary

# CORPORATE BOARDS

| | |
|---|---|
| **Board of Directors** | **Chairman**<br>Fedele Confalonieri<br>**Chief Executive Officer**<br>Pier Silvio Berlusconi<br>**Directors**<br>Patrizia Arienti<br>Marina Berlusconi<br>Stefania Bariatti<br>Marina Brogi<br>Consuelo Crespo Bofill<br>Javier Diez de Polanco<br>Giulio Gallazzi<br>Marco Giordani<br>Gina Nieri<br>Danilo Pellegrino<br>Alessandra Piccinino<br>Niccolò Querci<br>Stefano Sala |
| **Executive Committee** | Pier Silvio Berlusconi<br>Marco Giordani<br>Gina Nieri<br>Niccolo' Querci<br>Stefano Sala |
| **Audit and Sustainability Committee** | **Alessandra Piccinino (Chair)**<br>Patrizia Arienti<br>Marina Brogi<br>Javier Diez de Polanco |
| **Nomination and Remuneration Committee** | **Stefania Bariatti (Chair)**<br>Consuelo Crespo Bofill<br>Giulio Gallazzi |
| **Independent Auditors** | **Deloitte Accountants B.V.** |

# FINANCIAL HIGHLIGHTS

## MAIN INCOME STATEMENT DATA

| FY 2023 | | | 1st HALF 2024 | | 1st HALF 2023 | |
|---|---|---|---|---|---|---|
| EUR M | % | | EUR M | % | EUR M | % |
| **2,810.4** | *100%* | **Consolidated Net Revenues** | **1,476.5** | *100%* | **1,369.6** | *100%* |
| 1,978.3 | *70%* | Italy | 1,056.1 | *72%* | 972.8 | *72%* |
| 833.0 | *30%* | Spain | 420.8 | *29%* | 397.0 | *28%* |
| **302.3** | | **Operating Result (EBIT)** | **136.3** | | **120.9** | |
| 147.2 | | Italy | 59.9 | | 39.0 | |
| 154.8 | | Spain | 76.3 | | 81.7 | |
| **209.2** | | **Group Net Profit** | **104.7** | | **87.1** | |

## MAIN BALANCE SHEET AND FINANCIAL DATA

| 31st December 23 | | 30th June 2024 | 30th June 2023 |
|---|---|---|---|
| EUR M | | EUR M | EUR M |
| **3,776.8** | **Net Invested Capital** | **3,502.8** | **3,586.3** |
| **2,874.0** | **Total Shareholders' Equity** | **2,840.8** | **2,778.7** |
| 2,869.1 | Group Shareholders' Equity | 2,835.6 | 2,776.2 |
| 4.9 | Non-Controlling Interests | 5.2 | 2.6 |
| **902.8** | **Net Financial Position Debt/(Liquidity)** | **662.0** | **807.6** |
| **279.6** | **Free Cash Flow** | **223.4** | **220.1** |
| **466.4** | **Investments** | **254.2** | **262.9** |
| **140.1** | **Dividends paid by the Parent Company** | **-** | **-** |
| **2.0** | **Dividends paid by Subsidiaries** | **-** | **1.5** |

## PERSONNEL (*)

| 31st December 23 | | | 30th June 2024 | | 30th June 2023 | |
|---|---|---|---|---|---|---|
| | % | | | % | | % |
| **4,971** | *100%* | **Workforce (headcount)** | **5,184** | *100%* | **4,919** | *100%* |
| 3,346 | *67%* | Italy | 3,518 | *68%* | 3,363 | *68%* |
| 1,625 | *33%* | Spain | 1,666 | *32%* | 1,556 | *32%* |

(*) Includes temporary and permanent workforce

# INTRODUCTION

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

The Condensed Consolidated Interim Financial Statements have been drawn up according to the applicable International Accounting Standards (IAS/IFRS) issued by the International Accounting Standard Board ("IASB") and endorsed by the European Union and in accordance with the contents prescribed by IAS 34 - Interim Financial Reporting. The notes to the Condensed Consolidated Interim Financial Statements are therefore not comparable to those of complete financial statements drawn up in accordance with IAS 1 and should therefore be read in correlation with those contained in the Consolidated Annual Report for the year ended 31 December 2023.

The accounting standards and measurement and valuation criteria used in drawing up this Interim Financial Report are consistent with those applied in drawing up the Consolidated Annual Report as at 31 December 2023. There were no significant events or transactions during the reporting period that would have resulted in adopting accounting criteria or policies different from those used at 31 December 2023.

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

Unless otherwise indicated, all figures in this Report are expressed in millions of euros to one decimal place, whereas the original figures have been recorded and consolidated in thousands of euros. The same is true of all percentages relating to changes between two periods or percentages of net revenue or other indicators.

As regards new non-financial reporting obligations, the Corporate Sustainability Reporting Directive ("CSRD") has entered into force, following its adoption by the European Parliament on 10 November 2022 and its publication in the Official Journal on 16 December 2022. This supersedes the provisions of the NFRD (Directive 2014/95/EU), which currently regulates the non-financial reporting section of the Annual Report. In the first half of this year, the Group – based on its gap analysis results from the previous year, and in implementation of the action plan set out as a result (as disclosed in the Consolidated Annual Report at 31 December 2023) – has continued to implement the new measurement and valuation models and to review the structure and content required for drawing up the new reporting form. The CSRD will apply to MFE's reporting commencing with the Consolidated Annual Report for the current 2024 financial year (to be approved and published in 2025). This must be drawn up in accordance with the European Sustainability Reporting Standards (ESRS) issued by the European Financial Reporting Advisory Group (EFRAG) and adopted by the European Commission in its Delegated Regulation of 31 July 2023.

The language of this Report is English. Certain references to legislation and technical terms have been quoted in their original language so that they may be attributed their correct technical meaning under applicable law.

This Report contains forward-looking statements that reflect the management's current outlook of the Group's future development. These forward-looking statements should be evaluated with consideration to risks and uncertainties that are beyond the Group's control and require significant judgment. If the underlying assumptions materialise or prove to be incorrect, the actual risks or opportunities described, and the results and developments could differ materially (negatively or positively) from those expressed in these statements. The outlook is based on the estimates made by the Group's management based on all information available at the time of preparing this Report.

The factors that could cause the actual results and developments to differ from those expressed or implied in the forward-looking statements are included in the "Disclosure of Main Risks and Uncertainties to which the Group is Exposed" section of the Consolidated Annual Report for the year ended 31 December 2023. These factors may not be exhaustive and should be read in conjunction with the other precautionary statements included in this Report. The MFE Group assumes no obligation or liability in connection with any inaccuracies in the forward-looking statements made in this Report or in connection with any use by third parties of those forward-looking statements. The MFE Group assumes no obligation to update the forward-looking statements contained in this Interim Financial Report beyond its statutory disclosure requirements.

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

# DIRECTORS' INTERIM REPORT ON OPERATIONS AT 30 JUNE 2024

## SIGNIFICANT EVENTS AND TRANSACTIONS IN THE FIRST HALF OF THE YEAR

### Change in the scope of consolidation

As a consequence of the acquisition by Publitalia'80 of the 50% stake in **Mediamond S.p.A.** held by Direct Channel S.p.A. (a subsidiary of Arnoldo Mondadori Editore S.p.A.), the company (jointly owned by Publitalia and Mondadori until 31 December 2023, up to which date it was accounted for in the consolidated financial statements using the equity method) and its wholly owned subsidiary Videowall S.r.l. are consolidated on a line-by-line basis commencing 1 January 2024.

Mediamond S.p.A. is the sales house specialised in selling advertising on the Group's television sites and digital properties and on the websites of Mondadori Group agencies and third-party broadcasters. It also collects advertising revenue from digital out-of-home (DOOH) advertising spaces managed by subsidiary Videowall and third parties. The Group's acquisition of this controlling interest in Mediamond strengthens its unique portfolio of the own and third-party assets it manages in Italy in segments of the market with a high growth potential.

In Spain, Grupo Audiovisual Mediaset España Comunicación, S.A.U. ("GAM") acquired a 70% controlling stake in the share capital of **La Fábrica de la Tele** (which subsequently changed its name to **Radical Change Contents S.L.) in March of this year.** GAM previously held a 30% indirect investment in the company through its subsidiary Producción y Distribución de Contenidos Audiovisuales Mediterráneo, S.L.U. and it was consolidated using the equity method accordingly. This company, which was fully consolidated from 1 March 2024, provides TV and web content production and advertising campaign creation services to third parties.

The consideration recognised for the acquisition of controlling interests in these companies was equal to their carrying amounts. The line-by-line consolidation of these companies did not have any significant impact on the Group's financial results during the period, albeit resulting in the consolidation of additional advertising revenues from own and third-party media and their related direct and operating costs, particularly with regard to Mediamond. The Consolidated Net Financial Position for the period saw a net impact of EUR 6.8 million euros in net cash balances because of these changes (resulting from the outlays incurred for the acquisition of the controlling interests, less the outstanding cash and cash equivalents of the companies on the acquisition date).

### Equity investment in ProSiebenSat1 Media SE ("P7S1")

During the first quarter of the year, the Austrian antitrust authorities authorised MFE to exceed the de facto control thresholds provided for in EU and Austrian antitrust law.

Following the cash-settled unwinding of the outstanding hedging agreements over the 3.3% stake in the share capital of P7S1 entered into at the end of the first quarter, MFE's entire investment in P7S1 – currently standing at 29.0% of share capital, which net of treasury shares is equivalent to 29.8% share of economic interests and voting rights (thus also including the 3.3% stake, which until the unwinding date had been classified and accounted for as a financial investment under IFRS 9) – is classified as an investment in associates under IAS 28 from 31 March 2024 onwards.

On **30 April 2024**, the **Annual General Meeting** ("AGM ") of P7S1 (or the "Company") was held. At the AGM, large majorities voted in favour of all motions proposed on 21 March by MFE-MEDIAFOREUROPE ("MFE") with the aim of strengthening the Company's governance and internal control system, in the interest of all shareholders, by fostering and accelerating the management's performance of its stated strategy of concentrating on the core entertainment business and enhancing the value of non-strategic assets.

In particular, the AGM voted to appoint 3 new independent members to the Supervisory Board of P7S1 (consisting of 9 members, of which one MFE executive member) and to appoint a new Chair of the Audit Committee from among the new members.

The AGM also passed a resolution to distribute a dividend of EUR 0.05 per share for the year 2023, to amend the Articles of Association of P7S1 by repealing the rule allowing the Executive Board to approve capital increases, with the exclusion of pre-emptive rights, and to introduce a requirement for the Supervisory Board to approve the M&A transactions proposed by the Executive Board above a predetermined amount. As a result of this resolution, MFE received total dividends of EUR 3.4 million gross during the period for its share in the company.

As at 30 June 2024, the directors of MFE, after having examined the facts and circumstances arising during the period, concluded that there had been no changes in the conditions for MFE having been found to have a significant influence in the investee under IAS 28 from 30 June 2023. Therefore as at 30 June 2024 it is confirmed for the MFE's entire 29.8% share of the voting rights and economic interests of the investee the accounting classification as an investment in associates measured using the equity method accordingly.

In the first half of the year, P7S1 made a net profit attributable to the parent company's shareholders of EUR 16 million (in the same period in 2023, the company made a consolidated net loss attributable to the parent company's shareholders of EUR -81 million, which also included gross restructuring costs of EUR 69 million).

As a consequence of this profit, MFE's attributable share of the *Result from investments accounted for using the equity method*, as listed in its consolidated income statement for the first semester, stood at an income of EUR +4.7 million (26.3% in the first quarter, 29.8% in the second quarter). In the first half of 2023, when MFE's entire shareholding in P7S1 was classified and measured as a financial investment under IFRS 9, this investment had posted a financial income of EUR 3.1 million in connection with the Group's share of the dividends resolved by P7S1.

The carrying amount of this investment at 30 June 2024 includes an embedded goodwill of EUR 171.6 million provisionally determined on the corresponding portions of the investee's shareholders' equity at 30 June 2023 and at the other reference dates on which the various stakes and new acquisitions were classified under IAS 28. This value has been confirmed as definitive as at 30 June 2024, when the purchase price allocation (PPA) process required by IFRS 3 has been completed, as will be explained in Note 5.4.

At 30 June 2024, the carrying amount of the investment held in P7S1 (EUR 551.7 million, corresponding to EUR 8.17 per share) was still higher than its stock market value (EUR 446.7 million, corresponding to EUR 6.62 per share). Management concluded, based on public information including the assessment of the volatility of the share price of P7S1, that no prolonged decrease in value is visible and such no impairment is recognised.

### Third-party advertising sub-concession agreements

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.

### MFE approves distribution of dividends

On **19 June 2024**, the General Shareholders' Meeting of MFE approved the distribution of a unit dividend of EUR 0.25 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 **24 July 2024** (with an ex-dividend date of 22 July 2024 and a record date of 23 July 2024) for an amount equal to EUR 139.2 million.

# SUMMARY OF OPERATING PERFORMANCE AND KEY FINANCIAL RESULTS

In the first half of this year, against an international backdrop of great instability, the Group significantly increased its advertising sales, reinforcing the extremely strong figures that had characterised the latter part of 2023 in Italy as well as showing signs of improvement in Spain, where the strong rebound in television and digital content which took hold last year continued. The growth in advertising revenues, which was bolstered by excellent feedback on the content side during the period, was more bullish than was initially forecasted, contributing to consolidated profit margins (operating profit and net profit) for the period which were improved on those recorded in the same period of last year. Consolidated free cash flow was also decidedly positive, leading to a significant reduction in consolidated net financial debt as compared to the situation at 31 December 2023.

Compared to the same period in 2023, revenues and operating costs for the first half of 2024 were affected by the changes in the scope of consolidation (albeit the overall impact on EBIT is negligible), primarily due to the line-by-line consolidation in Italy of Mediamond (which was 50% owned and thus accounted for using the equity method up to 31 December 2023), as a result of which:

- **Advertising revenues from Group-managed media in Italy** incorporate the total digital sales on the Group's websites and digital properties (in 2023, the Group recognised only the broadcaster fees related to the investee's total revenues) as well as revenues from the sale of advertising space at sites and stations for which subsidiary Videowall directly holds and manages "DOOH" commercial exploitation rights;
- Total **other revenues** includes advertising sales from third-party websites and DOOH;
- **Personnel costs, costs for acquisitions and services and other costs, as well as other depreciation, amortisation and write-downs** include the direct costs related to sales on the Group's own media and media managed by the two concessionaires.

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

- **Consolidated net revenues** were **EUR 1,476.5 million**, up considerably (+7.8%) on the EUR 1,369.6 million recorded for the same period of last year. The change on a like-for-like basis was +5.6%.
- Specifically, **gross advertising revenues** pertaining to the Group managed media (FTA Tv channel, Group Radio stations, websites and DOOH) increase to **EUR 1,434.2 million** on a consolidated basis, growing strongly **(+6.7%)** on the same period of last year. Meanwhile, **other revenues** grew to **EUR 215.5 million** from the 2023 figure of EUR 187.0 million; this change was mainly due to the additional revenues associated with the advertising sales from third-party websites and DOOH managed by Mediamond and – on a like-for-like basis – the increased revenues generated from Medusa's film distribution and rights sales business in Italy and content resales to OTT platforms in Spain.

The Group's strong advertising revenues both in Italy and Spain were underpinned by excellent **viewership figures**.

In Italy, according to ratings figures from Auditel, during the period reported, Mediaset networks as a whole obtained an audience share of 37.1% over the 24-hour period, 37.2% in the Day Time slot and 35.8% in Prime Time. Mediaset also maintained its leadership among the commercial target audience (15–64 years) during the first six months of 2024 over the 24-hour period (39.8%), in the Day Time slot (40.3%) and in Prime Time (38.4%). Among this target audience, Canale 5 was again the number one national network over the 24-hour period and in the Day Time slot. In the spring season (7 January to 8 June 2024), Mediaset maintained its leadership among the commercial target with higher ratings than competitors. Generalist networks in particular obtained a share of 29.0% the 24-hour period, 29.2% in the Day Time slot and 29.4% in Prime Time among this target audience.

In Spain, Grupo Audiovisual Mediaset España enjoyed a total audience share of 25.5% over the 24-hour period, and a 28.0% share among the commercial target. In the Prime Time slot, the Mediaset Group achieved a 24.9% share of the total audience and 26.9% of the commercial target, while its Day Time shares were 25.7% of the total audience and 28.4% of the commercial target.

The Group made an **operating result (EBIT)** of **EUR 136.3 million**, up +12.7% on the EUR 120.9 million recorded for the same period in 2023. **Total costs** (personnel expenses, purchases, services, other costs, amortisation of rights and depreciation of fixed assets) amounted to **EUR 1,340.3 million** (EUR 1,248.7 million in the same period of 2023); this change was mainly connected with the changes in the scope of consolidation

The **Group net result for the period** was a profit of **EUR 104.7 million**, up +20.2% on the EUR 87.1 million profit for 2023. This result was boosted by the improved results in the Group's financing activities, with a reduction in mean financial debt, as well as by the contribution (EUR +3.6 million) provided by the Group's larger shareholding (100% in the first quarter of 2024, 84.45% in the first quarter of 2023) in GAM following the completion of the squeeze-out merger early in the second quarter of 2023.

**Consolidated net financial debt** at 30 June 2024 stood at **EUR 662.0 million**, a marked reduction on the EUR 902.8 million of debt at 31 December 2023. This was largely due to the positive **free cash flow** of EUR 223.4 million for the period. If we exclude the liabilities recognised under IFRS 16 from 2019 onwards, **adjusted net financial debt** at the end of the period was **EUR 553.7 million.**

# RISKS AND UNCERTAINTIES FOR THE REMAINDER OF THE YEAR

As reported in the Directors' Report on Operations in the 2023 Annual Report, to which reference should be made for more details, the Group is structurally exposed to exogenous risks that could potentially threaten the sustainability of its business model and risks concerning its positioning among its competitors (macroeconomic and advertising market developments, trends in the content demand and usage, also with regard to trends in the demographic and social makeup of the population, fragmentation of the competitive environment and the risks of disintermediation by new operators operating globally, trends in domestic and international legislation) and internal (management of key market maturity, development of new supply/product models and international development, management and development of human and technological skills, management of the main operating processes aimed at safeguarding business continuity even in external crises and emergency situations, financial risk management, and legal and compliance risks).

At the present time, the presumption is that the international geopolitical and economic climate will continue to be particularly complex and unstable throughout the rest of the year. In addition to the ongoing conflicts in Ukraine and the Middle East, domestic political uncertainty is also affecting France and Germany in the fallout of the European elections in June, and we also await the outcome of the US presidential elections in November.

Against this backdrop, the main factors of risk and uncertainty that could affect the group's economic and financial results during the rest of the year will continue to be macro factors in the form of the trends in economic growth and consumption, as well as the gradual recovery from inflation and consequent reduction in interest rates.

The macroeconomic situation, which in the first half of 2024 paved the way to a wave of rates cuts both in the USA and Europe, could – according to the most recent estimates – give way to a slowdown during the rest of the year, especially in the Eurozone.

Nevertheless, based on the evidence currently available, GDP growth estimates for the current year in both Italy and Spain, where the Group operates directly, continue to be generally more positive than the figures for the rest of the Eurozone. According to the latest GDP forecasts currently available for this year, the forecast stands at around +1% for Italy (which is generally in line with 2023) and at around +2% for Spain (+2.5% in 2023), which in early 2023 became the last of the European countries to recover to pre-pandemic levels. Inflation for the current year is estimated to be just above 1% for Italy (5.9% in 2023) and around 3% for Spain (3.4% in 2023).

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

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

The Group is constantly operating with the aim of further enhancing its financial soundness in terms of its the structure, composition and counterparty diversification of its debt, its committed loan-to-value ratio, the extension of average maturity dates and the optimisation of low-cost conditions, and its availability to credit facilities in respect of average utilisation. In accordance with its Liquidity Risk Policy, average consolidated financial exposure must not exceed 80% of all agreed credit facilities, with at least 20% of credit facilities remaining available at all times. On average, 55.8% of MFE's credit facilities were available and unutilised during the first half of this year.

Specifically, at 30 June 2024 the MFE Group had EUR 1,045.9 million in total committed credit facilities, of which EUR 300 million unutilised and readily available. These facilities include EUR 432 million (of which EUR 382 million utilised) falling due within the next 12 months.

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

Therefore, while acknowledging that trends in the reference market are uncertain, the Group will continue to operate from a strong market position and with a robust financial footing during the remainder of the year. Thanks to the operational flexibility of the Group's own editorial and commercial products, the Group can maximise the monetisation of its own cross-media offering by constantly adapting its cost profile to unforeseeable developments in the sector with a view to maintaining cash generation capacities.

Based on the facts currently observable, there are no elements of risk or uncertainty to the Directors that could compromise business continuity.

As regards the Group's shareholding in its associate P7S1, as a long-term shareholder MFE will continue to support the management of the company to implement a strategy focused on the core entertainment business and to enhance non-strategic assets. The net result of this associate, reflected in MFE's consolidated income statement through the 29.8% shareholding attributable to its own shareholders, will be mainly influenced during the rest of the year by the trend in advertising revenues linked to an upswing in the German economy which is still uncertain. Concerning the proceedings with regards to the German Payment Services Supervision Act (ZAG) initiated in the first half of 2023 regarding two subsidiaries (Jochen Schweizer GmbH and mydays GmbH) operating in the field of experiential voucher sales, P7S1 reported in the Consolidated 1 Half Interim Report at 30 June 2024, that a provision in the low single digit million range was recognised as at 30 June 2024 for the impending charges at individual company level on the basis of discussion held to date with the Munich Public Prosecutor's Office who is currently managing the formal preliminary investigation. In the Annual Report for the years 2022 and 2023, the Company with regard this matter disclosed that it was exposed to contingent liabilities that could not be estimated but could be sizeable.

# BUSINESS OUTLOOK

Based on current visibility, MFE's advertising revenue in the first 9 months of 2024 maintained a trend above expectations and in line with that of the first half of the year, despite the occurrence of international sporting events to which the Group did not have the rights in either Italy or Spain (the European Football Championship until mid-July and the Paris Olympics between late July and early August).

For the remainder of the financial year, advertising-market visibility in both geographical areas remains fairly low, taking into account the instability of both the geopolitical context (ongoing conflicts in Ukraine and the Middle East, US presidential elections in November) and the general macroeconomic situation. Furthermore, the final months of the year will be compared with extremely strong advertising revenue performance for MFE in Italy in the same period of 2023.

Based on the excellent results achieved in the first half of the year, the solid broadcasting positioning in both linear and digital, and the available projections, the objective of maintaining a clearly positive consolidated annual EBIT, net profit and free cash flow is confirmed, the level of which will mainly depend on advertising revenues from own media in the last quarter of the year.

With regard to the investment in P7S1, as a long-term shareholder, MFE continues to focus on the continuous monitoring of its investment, supporting the company's management in the implementation of its strategy while remaining confident that it will achieve all objectives declared to the market: focusing on the core entertainment business and harnessing the value of non-core assets. In line with the recent confirmation of the expected targets for 2024 by P7S1 management during the presentation of the first half of the year's figures, MFE expects the current year to show an improvement in the main earnings and financial results compared to 2023, namely in reported net profit, cash generation and debt reduction.

# CONSOLIDATED FINANCIAL STATEMENTS (RECLASSIFIED) AND SECTOR INFORMATION

## MFE GROUP
## Reclassified Income Statement

EUR million

| EUR million | 1° Half 2024 | 1° Half 2023 | Change (EUR million) | Change (%) |
|---|---|---|---|---|
| **Consolidated net revenues** | **1,476.5** | **1,369.6** | **106.9** | **7.8%** |
| Personnel expenses | (256.2) | (238.0) | (18.2) | 7.6% |
| Purchases, services, other costs | (863.4) | (782.2) | (81.2) | 10.4% |
| Operating costs | (1,119.6) | (1,020.2) | (99.4) | 9.7% |
| **Gross Operating Result (EBITDA)** | **357.0** | **349.5** | **7.5** | **2.1%** |
| TV Rights amortisation | (178.8) | (187.9) | 9.1 | -4.8% |
| Other amortisation, depreciation and impairments | (41.9) | (40.6) | (1.3) | 3.1% |
| Amortisation, depreciation and impairments | (220.7) | (228.5) | 7.8 | -3.4% |
| **Operating Result (EBIT)** | **136.3** | **120.9** | **15.3** | **12.7%** |
| Financial income/(losses) | (8.0) | (9.8) | 1.9 | -18.8% |
| Result from investments accounted for using the equity | 10.3 | 7.2 | 3.1 | 43.2% |
| **Profit Before Tax (EBT)** | **138.6** | **118.3** | **20.3** | **17.1%** |
| Income taxes | (32.9) | (26.4) | (6.5) | 24.6% |
| Non-controlling interest in net profit | (1.0) | (4.8) | 3.8 | -79.0% |
| **Group Net Profit** | **104.7** | **87.1** | **17.6** | **20.2%** |

## MFE GROUP
## Consolidated Net Revenues

EUR million

| EUR million | 1° Half 2024 | 1° Half 2023 | Change (EUR million) | Change (%) |
|---|---|---|---|---|
| Gross advertising revenues | 1,434.2 | 1,343.7 | 90.6 | 6.7% |
| Agency discounts | (173.2) | (161.0) | (12.2) | 7.6% |
| Net advertising revenues | 1,261.0 | 1,182.7 | 78.4 | 6.6% |
| Other revenues | 215.5 | 187.0 | 28.5 | 15.3% |
| **Consolidated Net Revenues** | **1,476.5** | **1,369.6** | **106.9** | **7.8%** |

| **MFE Group**<br>**Reclassified Statement of Financial Position**<br>EUR million | **30/06/2024** | **31/12/2023** |
|---|---|---|
| TV and movie rights | 804.6 | 752.6 |
| Goodwill | 809.7 | 804.7 |
| Other tangible and intangible non-current assets | 753.2 | 775.7 |
| Equity investments and other financial assets | 998.8 | 994.9 |
| Net working capital and other assets/(liabilities) | 186.2 | 498.2 |
| Post-employment benefit plans | (49.6) | (49.3) |
| **Net invested capital** | **3,502.8** | **3,776.8** |
| Group shareholders' equity | 2,835.6 | 2,869.1 |
| Non controlling-interests | 5.2 | 4.9 |
| **Total Shareholders' equity** | **2,840.8** | **2,874.0** |
| **Net financial position Debt/(Liquidity)** | **662.0** | **902.8** |

| **MFE Group**<br>**Reclassified Statement of Cash Flow**<br>EUR million | **1° Half 2024** | **1° Half 2023** |
|---|---|---|
| **Net Financial Position at the beginning of the year** | **(902.8)** | **(873.3)** |
| **Free Cash Flow** | **223.4** | **220.1** |
| Cash Flow from operating activities (*) | 344.3 | 332.4 |
| Investments in fixed assets | (254.2) | (262.9) |
| Disposals of fixed assets | 0.1 | 2.8 |
| Changes in net working capital and other current assets/liabilities | 133.2 | 147.7 |
| Change in the consolidation area | 6.8 | - |
| Treasury shares (sale)/buyback of the parent company and subsidiaries | - | - |
| Equity investments/Investments in other financial assets and change of interest held in subsidiaries other financial assets | (3.3) | (159.4) |
| Dividend received | 13.9 | 6.6 |
| Dividends paid | - | (1.5) |
| **Financial Surplus/(Deficit)** | **240.8** | **65.7** |
| **Net Financial Position at the end of the period** | **(662.0)** | **(807.6)** |

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

## ITALY
## Main indicators

| EUR million | 1° Half 2024 | 1° Half 2023 | Change (EUR million) | Change (%) |
|---|---|---|---|---|
| Gross advertising revenues | 1,039.9 | 970.4 | 69.5 | 7.2% |
| Agency discounts | (155.7) | (142.7) | (13.0) | 9.1% |
| Net advertising revenues | 884.2 | 827.6 | 56.5 | 6.8% |
| Other revenues | 171.9 | 145.2 | 26.7 | 18.4% |
| **Consolidated Net Revenues** | **1,056.1** | **972.8** | **83.2** | **8.6%** |
| **Gross Operating Result (EBITDA)** | **222.8** | **208.2** | **14.6** | **7.0%** |
| **Operating Result (EBIT)** | **59.9** | **39.0** | **20.9** | **53.5%** |

## SPAIN
## Main indicators

| EUR million | 1° Half 2024 | 1° Half 2023 | Change (EUR million) | Change (%) |
|---|---|---|---|---|
| Gross advertising revenues | 394.4 | 373.2 | 21.1 | 5.7% |
| Agency discounts | (17.5) | (18.3) | 0.8 | 4.3% |
| Net advertising revenues | 376.9 | 355.0 | 21.9 | 6.2% |
| Other revenues | 43.9 | 42.0 | 1.9 | 4.4% |
| **Consolidated Net Revenues** | **420.8** | **397.0** | **23.8** | **6.0%** |
| **Gross Operating Result (EBITDA)** | **134.4** | **141.3** | **(6.9)** | **-4.9%** |
| **Operating Result (EBIT)** | **76.3** | **81.7** | **(5.4)** | **-6.6%** |

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

In this Directors' Interim 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' Interim Report on Operations are as follows:

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

**EBITDA** is calculated by taking the *Net profit for the period* (as provided for by the International Accounting Standards), adding Income taxes, then subtracting or adding *Financial income/(losses)* and *Result from investments accounted for using the equity method* and, finally, adding *Amortisation, depreciation and impairment.*

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

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

**Net financial position** is calculated by aggregating the Consolidated Statement of Financial Position items *Non-current financial payables and liabilities*, *Payables to banks* and *Current financial liabilities* and subtracting *Cash and cash equivalents* and *Current financial assets*, with adjustments made to those items to exclude the following: (i) the fair value of derivatives hedging foreign exchange risk, except for the part exceeding the change in the foreign-currency payables hedged. (ii) the fair value of derivative instruments hedging equity instruments; and (iii) loans granted to associates and financial liabilities on options on 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 30 June 2024, 30 June 2023 and 31 December 2023, compared to key IFRS items.

| **EBITDA Reconciliation** — EUR million | 1H 2024 | 1H 2023 |
|---|---|---|
| Net profit for the period | 105.7 | 91.9 |
| + Income taxes | 32.9 | 26.4 |
| +/- Financial income/(losses) | 8.0 | 9.8 |
| +/- Result from investments accounted for using the equity method | (10.3) | (7.2) |
| + Depreciation, amortisation and impairments | 220.7 | 228.5 |
| **Gross Operating Result (EBITDA)** | **357.0** | **349.5** |

| **EBIT Reconciliation** — EUR million | 1H 2024 | 1H 2023 |
|---|---|---|
| Net profit for the period | 105.7 | 91.9 |
| + Income taxes | 32.9 | 26.4 |
| +/- Financial income/(losses) | 8.0 | 9.8 |
| +/- Result from investments accounted for using the equity method | (10.3) | (7.2) |
| **Operating Result (EBIT)** | **136.3** | **120.9** |

| Reconciliation of Net Financial Position (EUR million) | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Current financial assets | 22.6 | 38.8 |
| Cash and cash equivalents | 230.2 | 175.3 |
| Financial liabilities and payables | (437.0) | (801.1) |
| Due to banks | (403.1) | (231.5) |
| Other financial liabilities | (65.4) | (63.9) |
| Difference on derivatives [1] | (17.9) | (26.9) |
| Difference on receivables and loans [2] | 8.6 | 6.5 |
| **Net Financial Position** | **(662.0)** | **(902.8)** |

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

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

| Reconciliation of Net Invested Capital (EUR million) | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Total shareholders' equity | 2,840.8 | 2,874.0 |
| +/- Net financial position (Debt)/Liquidity | (662.0) | (902.8) |
| **Net Invested Capital** | **3,502.8** | **3,776.8** |

| EUR million | 1H 2024 | 1H 2023 |
|---|---|---|
| **Reconciliation of Free Cash Flow** | | |
| Net cash flow from operating activities | 480.1 | 466.9 |
| +/- Proceeds from the sale of fixed assets | 0.1 | 0.1 |
| +/- Payments for Investments in TV and movie broadcasting rights | (214.9) | (210.4) |
| +/- Payments for investments in property, plant and equipment and intangible assets | (24.3) | (25.7) |
| +/- Interest paid | (12.2) | (15.0) |
| + Government grants | - | 3.8 |
| +/- Other adjustments | (5.6) | 0.4 |
| **Free Cash Flow** | **223.4** | **220.1** |

# CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND EXPLANATORY NOTES

# MFE-MEDIAFOREUROPE GROUP

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

| INCOME STATEMENT | Notes | 1H 2024 | 1H 2023 |
|---|---|---|---|
| **Revenues from sales of goods and services** | 4.1 | **1,455.7** | **1,357.5** |
| **Other income** | 4.2 | **20.8** | **12.2** |
| Personnel expenses | 4.3 | 256.2 | 238.0 |
| Purchases, services, other costs | 4.4 | 863.4 | 782.2 |
| Amortisation, depreciation and impairments | 4.5 | 220.7 | 228.5 |
| **TOTAL COSTS** | | **1,340.3** | **1,248.7** |
| **Operating result** | | **136.3** | **120.9** |
| Financial expenses | 4.6 | (22.6) | (34.2) |
| Financial income | 4.6 | 14.6 | 24.3 |
| Result from investments accounted for using the equity method | 4.7 | 10.3 | 7.2 |
| **Profit before tax** | | **138.6** | **118.3** |
| Income taxes | 4.8 | (32.9) | (26.4) |
| **NET PROFIT FOR THE PERIOD** | | **105.7** | **91.9** |
| Attributable to: | | | |
| -Equity shareholders of the parent company | | 104.7 | 87.1 |
| - Non-controlling interests | | 1.0 | 4.8 |
| Earnings per share (€) | 4.9 | | |
| - Basic | | 0.19 | 0.16 |
| - Diluted | | 0.19 | 0.16 |

# MFE-MEDIAFOREUROPE GROUP

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

| | Notes | 1H 2024 | 1H 2023 |
|---|---|---|---|
| **NET PROFIT FOR THE PERIOD (A):** | | **105.7** | **91.9** |
| Other Comprehensive income/(loss) that may be subsequently reclassified to profit and loss | | 4.2 | (7.4) |
| Effective portion of gains and losses on hedging instruments (cash flow hedge) | 6.1 | (0.5) | (9.7) |
| Share of other comprehensive income/(loss) of associates and joint ventures | 6.2 | 4.6 | (0.1) |
| Tax effects | | 0.1 | 2.3 |
| Other Comprehensive income/(loss) that will not be reclassified to profit and loss | | 1.8 | 16.7 |
| Gains and losses on options valuation | 6.1 | (4.3) | (0.4) |
| Other gains and losses on investments at FVOCI | 6.1 | 6.1 | 17.4 |
| Tax effects | | - | (0.3) |
| **TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) NET OF TAX EFFECTS (B)** | | **6.0** | **9.3** |
| **TOTAL COMPREHENSIVE INCOME (A)+(B)** | | **111.7** | **101.2** |
| attributable to: - Equity shareholders of the parent company | | 110.7 | 92.2 |
| - Non controlling interests | | 1.0 | 9.0 |

# MFE-MEDIAFOREUROPE GROUP

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

| ASSETS | Notes | 30/06/2024 | 31/12/2023 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 5.1 | 301.9 | 311.2 |
| TV and movie rights | 5.2 | 804.6 | 752.6 |
| Goodwill | 5.2 | 809.7 | 804.7 |
| Other intangible assets | 5.2 | 451.3 | 464.6 |
| Investments in associates and joint ventures | 5.4 | 956.2 | 909.5 |
| Other financial assets | 5.4 | 50.5 | 93.9 |
| Deferred tax assets | 5.5 | 309.2 | 327.2 |
| **TOTAL NON-CURRENT ASSETS** | | **3,683.3** | **3,663.7** |
| **CURRENT ASSETS** | | | |
| Inventories | | 34.6 | 61.9 |
| Trade receivables | 5.6 | 702.7 | 775.4 |
| Tax receivables | | 24.0 | 28.2 |
| Other receivables and current assets | 5.7 | 248.2 | 265.6 |
| Current financial assets | 6.9 | 22.6 | 38.8 |
| Cash and cash equivalents | 6.9 | 230.2 | 175.3 |
| **TOTAL CURRENT ASSETS** | | **1,262.4** | **1,345.2** |
| **TOTAL ASSETS** | | **4,945.7** | **5,008.9** |

# MFE-MEDIAFOREUROPE GROUP

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

| SHAREHOLDERS' EQUITY AND LIABILITIES | Notes | 30/06/2024 | 31/12/2023 |
|---|---|---|---|
| **SHARE CAPITAL AND RESERVES** | | | |
| Share capital | | 161.6 | 161.6 |
| Share premium reserve | | 1,149.6 | 1,149.6 |
| Treasury shares | | (358.0) | (358.0) |
| Revaluation reserves | 6.1 | 1.7 | (38.2) |
| Retained earnings and other reserves | 6.2 | 1,776.0 | 1,744.8 |
| Net profit for the period | | 104.7 | 209.2 |
| **Group Shareholders' Equity** | | **2,835.6** | **2,869.1** |
| Non-controlling interests in net profit | | 1.0 | 3.4 |
| Non-controlling interests in share capital, reserves and retained earnings | | 4.2 | 1.5 |
| **Non-controlling interests** | | **5.2** | **4.9** |
| **TOTAL SHAREHOLDERS' EQUITY** | | **2,840.8** | **2,874.0** |
| **NON-CURRENT LIABILITIES** | | | |
| Post-employment benefit plans | | 49.6 | 49.3 |
| Deferred tax liabilities | 5.5 | 86.5 | 84.8 |
| Financial liabilities and payables | 6.3 | 437.0 | 801.1 |
| Provisions (non-current portion) | 6.6 | 33.3 | 29.3 |
| **TOTAL NON-CURRENT LIABILITIES** | | **606.3** | **964.6** |
| **CURRENT LIABILITIES** | | | |
| Due to banks | 6.4 | 403.1 | 231.5 |
| Trade and other payables | 6.7 | 637.7 | 602.6 |
| Provisions (current portion) | 6.6 | 62.8 | 69.1 |
| Current tax liabilities | | 12.1 | 11.8 |
| Other financial liabilities | 6.5 | 65.4 | 63.9 |
| Other current liabilities | 6.8 | 317.4 | 191.4 |
| **TOTAL CURRENT LIABILITIES** | | **1,498.6** | **1,170.3** |
| **TOTAL LIABILITIES** | | **2,104.9** | **2,134.9** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | **4,945.7** | **5,008.9** |

# MFE-MEDIAFOREUROPE GROUP

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

| | Notes | 1H 2024 | 1H 2023 |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | | |
| Operating result | | 136.3 | 120.9 |
| + Depreciation, amortisation and impairments | | 220.7 | 228.5 |
| + Other provisions and non-cash movements | 8.1 | 4.9 | 6.1 |
| + Change in trade receivables | | 72.7 | 124.2 |
| + Change in trade payables | | 31.1 | (14.0) |
| + Change in other assets and liabilities | 8.2 | 24.1 | 8.9 |
| - Income tax paid | | (9.7) | (7.7) |
| **Net cash flow from/(used in) operating activities [A]** | | **480.1** | **466.9** |
| **CASH FLOW FROM INVESTING ACTIVITIES:** | | | |
| Proceeds from the sale of property, plant and equipment and intangible assets | | 0.1 | 0.1 |
| Payments for investments in TV and movie broadcasting rights | | (214.9) | (210.4) |
| Payments in investments in property, plant and equipment and other intangible assets | | (24.3) | (25.7) |
| Proceeds from government grants | 8.3 | - | 3.8 |
| Payments for equity investments in associates and joint ventures | 8.4 | (7.8) | - |
| Proceeds/(Payments) for hedging derivatives on financial assets | 8.5 | 9.7 | - |
| Proceeds/(Payments) for other financial assets | 8.6 | 0.4 | (75.4) |
| Dividends received | 8.7 | 13.9 | 6.6 |
| Business combinations net of cash and cash equivalents acquired | 8.8 | 6.0 | - |
| **Net cash flow from/(used in) investing activities [B]** | | **(216.8)** | **(301.0)** |
| **CASH FLOW FROM FINANCING ACTIVITIES:** | | | |
| Proceeds from financing | | - | 314.3 |
| Financing repayments | | (179.4) | (443.5) |
| Dividends paid | | - | (1.5) |
| Changes in other financial liabilities | | (16.9) | (14.0) |
| Interest paid | | (12.2) | (15.0) |
| Changes in controlling interest | 8.9 | - | (75.9) |
| **Net cash flow from/(used in) financing activities [C]** | | **(208.4)** | **(235.7)** |
| **CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)** | | **55.0** | **(69.7)** |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD [E]** | | **175.3** | **522.5** |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (F=D+E)** | | **230.2** | **452.8** |

# MFE-MEDIAFOREUROPE GROUP

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| | Share capital | Share premium reserve | Treasury shares | Revaluation reserve | Retained earnings and other reserves | Net profit for the period | Total equity attributable to equity shareholders of the parent company | Total equity attributable to non-controlling interests | TOTAL SHAREHOLDERS' EQUITY |
|---|---|---|---|---|---|---|---|---|---|
| Notes | | | | 6.1 | 6.2 | | | | |
| **Balance at 31/12/2022** | **800.3** | **424.0** | **(390.7)** | **(248.4)** | **1,865.7** | **216.9** | **2,667.7** | **225.7** | **2,893.4** |
| Allocation of the parent company's 2022 net profit | - | - | - | - | 216.9 | (216.9) | - | - | - |
| Increase in share capital due to the merger | 13.3 | 79.0 | - | - | - | - | 92.3 | - | 92.3 |
| Dividends paid | - | - | - | - | (140.1) | - | (140.1) | (1.5) | (141.6) |
| Share based payment reserve evaluation | - | - | - | - | 1.5 | - | 1.5 | - | 1.5 |
| (Purchase)/sale of treasury shares | - | - | 32.6 | - | - | - | 32.6 | - | 32.6 |
| Gains/(losses) from transaction of treasury shares | (5.3) | - | - | - | (27.3) | - | (32.6) | - | (32.6) |
| Changes in controlling stake on subsidiaries | - | - | - | - | 66.7 | - | 66.7 | (230.6) | (163.8) |
| Other changes | - | - | - | 230.7 | (235.0) | - | (4.2) | - | (4.2) |
| Comprehensive income/(loss) | - | - | - | 5.2 | (0.1) | 87.1 | 92.2 | 9.0 | 101.2 |
| **Closing balance at 30/06/2023** | **808.2** | **503.0** | **(358.1)** | **(12.5)** | **1,748.5** | **87.1** | **2,776.2** | **2.6** | **2,778.7** |
| **Closing 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** |
| Allocation of the parent company's 2023 net profit | - | - | - | - | 209.2 | (209.2) | - | - | - |
| Dividends paid | - | - | - | - | (140.1) | - | (140.1) | (0.7) | (140.8) |
| Share based payment reserve evaluation | - | - | - | - | 1.6 | - | 1.6 | - | 1.6 |
| Business Combinations/ changes in consolidation area | - | - | - | - | (2.9) | - | (2.9) | - | (2.9) |
| Other changes | - | - | - | 38.5 | (41.3) | - | (2.8) | - | (2.8) |
| Comprehensive income/(loss) | - | - | - | 1.5 | 4.6 | 104.7 | 110.7 | 1.0 | 111.7 |
| **Balance at 30/06/2024** | **161.6** | **1,149.6** | **(358.0)** | **1.7** | **1,776.0** | **104.7** | **2,835.6** | **5.2** | **2,840.8** |

# EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2024

## 1. BASIS OF PREPARATION

These Condensed Consolidated Interim Financial Statements have been:

- prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) as adopted by the European Union (EU). As at the reporting date, there were no significant differences between the standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financing Reporting Interpretations Committee (IFRIC) on the one hand and those adopted by the EU on the other. Consequently, the accounting policies applied by the Company fully comply with IFRS as issued by the IASB;
- prepared by the Company's Board of Directors and authorised for publication on 18 September 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 main risks and uncertainties regarding the business are described in the Directors' Interim Report on Operations. The ways in which the Group manages its financial risks, including liquidity and capital risk, are described in detail in the section entitled "Disclosure on financial instruments and risk management policies" of the notes to the Consolidated Financial Statements at 31 December 2023, to which reference should be made.
- presented in Euro, which is the functional currency used for the majority of the Group's operations. The amounts shown in this note are expressed in millions of euro.

These Condensed Consolidated Interim Financial Statements, drawn up in accordance with IAS 34: Interim Financial Reporting, do not contain all information and disclosures required for the annual financial statements and should therefore be read in conjunction with the Consolidated Annual Report for the year ending 31 December 2023.

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

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

Specifically, in preparing these Condensed Interim Consolidated Financial Statements, the directors – after having reviewed the facts and circumstances that transpired during the period in relation to the Group's 29.8% share of the voting rights of ProsiebenSat1 Media SE ("P7S1") – reaffirmed that, as at 30 June 2024, the Group continued to exercise significant influence on the investment. This influence had already been determined to exist since 30

June 2023. Therefore, during the first half of the year the investment has again been accounted for in accordance with IAS 28 (Investments in Associates and Joint Ventures). These assessments are reported in detail in Note 3 “Key Information relating to the Scope of Consolidation and Transactions in the First Half of the Year”, which describes the most significant corporate transactions and changes in the scope of consolidation during the year.

In drawing up these Condensed Interim Consolidated Financial Statements, it was also necessary to verify the recoverable value of the investment held in the associate P7S1. The carrying amount of this investment at the reporting date (EUR 551.7 million, or EUR 8.17 per share) remained higher than its stock market value (EUR 446.7 million, or EUR 6.62 per share). The management used information in the public domain to conclude that no reduction in value was necessary. For more information, see Note 5.4.

Please refer to the “Accounting Estimates and Judgments" section of the Consolidated Financial Statements at 31 December 2023 for a detailed description of the most significant areas of the financial statements, which explain why the estimation and measurement processes used by the Group are necessary. In addition, in accordance with IAS 34, some assessment procedures (particularly those of a more complex nature concerning possible impairment of non-current assets) are carried out in full only when drawing up the annual consolidated financial statements, when all the relevant necessary information is available, unless there are obvious indicators of impairment, in which case an immediate assessment would be necessary. Likewise, the actuarial assessments required to determine employee benefit provisions are usually made when drawing up the annual consolidated financial statements, except in the event of significant market fluctuations, or significant plan changes, reductions or settlements.

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

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

# 2. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS APPLICABLE FROM 1 JANUARY 2024

Since 1 January 2024, the following new accounting standards and/or amendments and interpretations of standards previously in force have become applicable.

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 has applied the mandatory temporary exception provided for by the **Amendment to IAS 12 "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 hereby recognised and disclosed.

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 for the Group, no issues are highlighted that could lead to significant impacts on the half-yearly report.

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**", and on 31 October 2022 it issued an amendment called "**Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants**". 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).

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.

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 adoption of these amendments has had no impact on these Condensed Consolidated Interim Financial Statements.

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

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

On **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 used 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 this amendment for the Company's Condensed Consolidated Interim Financial Statements.

On **9 April 2024**, the IASB issued new standard **IFRS 18 Presentation and Disclosure in Financial Statements,** which will replace standard IAS 1 *Presentation of Financial Statements*. The new standard aims to improve the presentation of the main financial statements and makes significant changes to the presentation of the income statement. More specifically, the new standard requires companies to:

- Classify income and expenses into three new categories (operating, investing and financing), in addition to the income taxes and discontinued operations categories already present in the income statement.
- Show two new subtotals: (i) operating profit or loss, and (ii) profit or loss before financing and income taxes (EBIT).

In addition, the new standard: requires more information about the performance indicators defined by management; introduces new criteria for the aggregation and disaggregation of information; and introduces changes to the presentation of the cash flow statement, including the requirement to use operating profit or loss as the starting point for presenting cash flow statements drawn up using the indirect method and the removal of some options for classifying certain currently existing items (e.g. interest paid, interest received, dividends paid and dividends received).

The new standard will enter into operation on 1 January 2027, but early adoption is permitted.

The directors are currently evaluating the possible effects of the introducing this amendment for the Group's consolidated financial statements.

On **30 May 2024**, the IASB published the document entitled "**Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7**". This document address some matters identified during the post-implementation review of IFRS 9, including the accounting treatment of variable-yield financial assets linked to ESG objectives (green bonds). More specifically, these amendments aim to:

- Clarifying the classification of variable-yield financial assets linked to environmental, social and corporate governance (ESG) objectives and the criteria applicable to SPPI tests.
- Indicate that the settlement of liabilities through electronic payment systems occurs on the date on which the liability is extinguished. However, entities are permitted to adopt an accounting policy whereby it can derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

With these amendments, the IASB has also introduced additional disclosure requirements, particularly regarding investments in equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026.

The directors are currently evaluating the possible effects of the introducing these amendments for the Group's consolidated financial statements.

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

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

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

On 22 December 2023**,** with **effect from 1 January 2024**, Publitalia '80 S.p.A. acquired the 50% stake of Direct Channel S.p.A. (Gruppo Mondadori) in the share capital of **Mediamond S.p.A**., a company jointly owned by Publitalia S.p.A. and Direct Channel S.p.A. up to 31 December 2023. Until that date, the investment had been accounted for in MFE's Consolidated Financial Statements using the equity method. As a result of this transaction, the company is consolidated on a line-by-line basis from 1 January 2024

As a result of acquiring control of Mediamond S.p.A., the company **Videowall S.r.l.** (100% owned by Mediamond) is also consolidated on a line-by-line basis commencing 1 January 2024.

Mediamond S.p.A. is the sales house specialised in selling advertising on the Group's television sites and digital properties and on the websites of Mondadori Group agencies and third-party broadcasters. It also collects advertising revenue from digital out-of-home (DOOH) advertising spaces managed by subsidiary Videowall and third parties.

In March, Grupo Audiovisual Mediaset España Comunicación, S.A.U. ("GAM") acquired a 70% of the share capital in **La Fábrica de la Tele** (GAM previously held a 30% indirect investment in the company through its subsidiary Producción y Distribución de Contenidos Audiovisuales Mediterráneo, S.L.U. and it was accounted using the equity method accordingly). As a result of this transaction, the company is consolidated on a line-by-line basis from **1 March 2024**. From 3 June 2024, this company – which provides TV and web content production and advertising campaign creation services to third parties – changed its name to **Radical Change Contents S.L.**

The consideration paid for the acquisition of the controlling interests (which were previously accounted for using the equity method in accordance with IAS 28) was equal to the equity values of the investments at the acquisition date. Therefore, the consideration did not have any economic impact in view of the recalculation of the fair value of the previously held interest anticipated in step acquisitions of this type.

In accounting terms, the acquisition of the controlling interest in Mediamond is categorised as a *business combination under common control*. As reported in the Notes to the Consolidated Financial Statements at 31 December 2023, in the absence of specific IAS/IFRS standards or interpretations for these types of operations, the carry-over method is generally considered to apply to acquisitions of this type, taking into account the provisions of IAS 8. With this method, the assets (including pre-existing goodwill, if any) and liabilities must be entered in the acquirer's consolidated financial statements at the amounts recorded in the consolidated financial statement of the ultimate parent company of the parties that carry out the business combination as at the date of the transfer, 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. As a result of applying this criterion, upon consolidating the assets and liabilities of Mediamond and its subsidiary Videowall on 1 January 2024, goodwill of EUR 4.6 million (generated at the moment of the acquisition of the controlling interests of Videowall) and a negative equity reserve of EUR 2.9 million (due to Mediamond's acquisition of the non controlling interests in Videowall) have been entered in the consolidated statement of financial position.

The line-by-line consolidation of these companies did not have any significant impact on the Group's financial results (Operating result and Net profit) during the period, albeit resulting in the consolidation of additional advertising revenues from own and third-party media and their related direct and operating costs, particularly with regard to Mediamond.

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

With regard to the equity investment held in **P7S1,** during the first quarter of the year, the Austrian antitrust authorities authorised MFE to exceed the de facto control thresholds provided for in EU and Austrian antitrust law.

Following the cash-settled unwinding of the outstanding hedging agreements over the 3.3% stake in the share capital of P7S1 entered into in March, MFE's entire investment in P7S1, also this stake, which until the unwinding date had been classified and accounted for as a financial investment under IFRS 9) – is classified as an investment in associates under IAS 28 from 31 March 2024 onwards.

As at 30 June 2024, the directors of MFE, after having examined the facts and circumstances arising during the period (including the resolutions passed and the percentage attendance at the AGM of 30 April 2024), concluded that there had been no changes in the conditions for MFE having been found to have a significant influence in the investee under IAS 28 from 30 June 2023. Therefore as at 30 June 2024 it is confirmed for the MFE's entire 29.8% share of the voting rights and economic interests of the investee the accounting classification as an investment in associates measured using the equity method accordingly.

On **29 January 2024**, the associate Producciones Mandarina SL established the company **Furia TV SLU**. The Group indirectly holds a 30% stake in its share capital.

On **22 March 2024**, Alea Media Estudio S.A. (previously Alea Media) established the company **Alea Media Salvador S.L.** The Group indirectly holds a 45% stake in the company.

On **12 April 2024**, the subsidiary Producción y distribución de contenidos audiovisuals Mediterráneo SLU increased its shareholding in **Alea Media SA** from 40% to 45%. On the same date, the company changed its name to **Alea Media Estudio SA**.

On **12 June 2024**, the subsidiary Conecta 5 Telecinco SAU acquired 30.53% of the share capital in the company **Ivoox Podcasting Service S.L.** This company is acccounted using the equity method.

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

In the **first quarter of 2024**, the company **Gilda S.r.l.** , (AD4Ventures business) in which RTI S.p.A. holds a 10.31% equity investment with a carrying amount equal to zero, has started the liquidation proceeding.

In the **first quarter of 2024**, the 0.142% equity investment held by RTI S.p.A. in **Peoople Unlimited S.L.** was sold to third parties.

In the **second quarter of 2024**, as part of the AD4Ventures business, the subsidiary Advertisement 4 Adventures SLU acquired a 4.13% equity investment in **Tax Down SL**, a company that operates in developing and selling professional tax management and process automation solutions.

# 4. NOTES ON MAIN CHANGES IN INCOME AND EXPENSES

## 4.1 REVENUES FROM SALES OF GOODS AND SERVICES

| | 1H 2024 | 1H 2023 |
|---|---|---|
| TV advertising revenues | 1,177.8 | 1,125.2 |
| Other advertising revenues | 159.8 | 119.2 |
| Sales of TV rights and productions | 52.7 | 54.1 |
| Pay streaming service | 16.8 | 17.3 |
| Construction, rental and maintenance of TV equipment | 11.2 | 11.0 |
| Movie distribution revenues | 11.8 | 9.7 |
| Other revenues | 25.6 | 21.0 |
| **TOTAL REVENUES FROM SALES OF GOODS AND SERVICES** | **1,455.7** | **1,357.5** |

**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. In the period under review, the overall trend in these revenues was extremely positively both in Italy and Spain.

**Other advertising revenues** mainly refers, firstly, to advertising sales from Group-owned and third party radio stations, managed by the Group’s concessionaire Digitalia ‘08, and, secondly, sales from the Group's websites and web properties and from Group-owned and third party DOOH spaces, carried out by the subsidiary Mediamond, which is consolidated on a line-by-line basis during this year. For the same period of 2023, revenues from the Group’s websites and web properties referred to the Group’s attributable share of the sales managed by the subsidiary, which was then accounted using the equity method. The increase in these revenues is mainly due to the consolidation of Mediamond.

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

Revenues generated by **Construction, rental and maintenance of TV equipment** were essentially stable during the two periods under review.

**Movie distribution revenues** increased in the period under review as a result of the higher revenues generated by Medusa’s film distribution activities in Italy.

## 4.2 OTHER INCOME

This item mainly includes non-core revenues and income, revenues from leases, property rentals, contingent assets and government grants received by virtue of the Group's capital expenditures in equipment and film productions. The increase in this item mainly refers to the damages paid by third parties to some Group companies after it was found that they had illegally used and enjoyed copyrighted video content sanctioned by rulings of the competent authorities judicial courts.

## 4.3 PERSONNEL EXPENSES

| | 1H 2024 | 1H 2023 |
|---|---|---|
| Ordinary remuneration | 141.9 | 131.0 |
| Overtime | 6.0 | 6.2 |
| Special benefits | 13.0 | 11.1 |
| Additional salary period (13th and 14th salary period) | 19.6 | 18.0 |
| Accrued and unused holiday | 3.8 | 3.7 |
| **Total wages and salary** | **184.3** | **170.0** |
| Social security contributions | 54.4 | 50.6 |
| Post-employment benefit plans | 0.1 | 0.1 |
| MLT incentive plans | 1.6 | 1.6 |
| Other personnel expenses | 15.8 | 15.7 |
| **Total personnel expenses** | **256.2** | **238.0** |

The following table shows the details of the **group's average workforce**, determined on a full time equivalent (FTA) basis based on the business segment 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 | 1H 2024 | 1H 2023 |
|---|---|---|
| Italy | 3,341 | 3,277 |
| Spain | 1,686 | 1,550 |
| **Total** | **5,027** | **4,827** |

## 4.4 PURCHASES, SERVICES AND OTHER COSTS

| | 1H 2024 | 1H 2023 |
|---|---|---|
| **Purchases** | **28.9** | **27.4** |
| **Change in inventories of raw materials, semi-finished and finished products and increase in internal work** | **29.5** | **12.0** |
| Consultants, contractors and services | 118.4 | 113.0 |
| Making and purchases of productions | 279.3 | 262.5 |
| Broadcaster fees and guaranteed minimums | 68.2 | 48.3 |
| Advertising space and external relations | 10.6 | 10.7 |
| EDP Services | 8.9 | 6.1 |
| Research, training and travel expenses | 6.1 | 5.9 |
| Other services | 207.0 | 194.3 |
| **Services** | **698.5** | **640.7** |
| **Rentals** | **79.8** | **74.8** |
| **Accruals/(Utilizations) of provisions** | **(3.3)** | **1.6** |
| **Other operating expenses** | **30.0** | **25.5** |
| **Total purchases, services, other costs** | **863.4** | **782.2** |

**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 5.4 million (EUR 6.3 million at 30 June 2023)

With reference **to Cost for services**:

- **Consultants, contractors and services** refers to professional service and advisor, corporate bodies fees, collaborators and temporary work expenses, artistic and journalistic collaborations.
- **Making and purchases of productions** refers to direct costs related to the creation of in-house productions and for purchase of productions from third parties;
- **Broadcaster fees and guaranteed minimums** refers to the fees paid for the TV advertising sales and radio advertising managed by the Group on behalf of third parties and, from 1 January 2024, the fees paid for advertising sales from third-party websites, web properties and DOOH spaces, as a result of the consolidation of Mediamond S.p.A.
- **Other services** mainly refers to EUR 50.5 million in trade association costs for the use of intellectual property rights (EUR 45.9 million at 30 June 2023); EUR 43.5 million in marketing services fees and expenses (EUR 33.9 million in the first half of 2023); EUR 40.6 million in costs of maintaining networks, broadcasting equipment, property and IT systems (EUR 40.6 million in the first half of 2023); and EUR 35.1 million for technical services (EUR 36.5 million in the first half of 2023).

**Rentals** includes EUR 48.7 million in costs relating to television signal transmission and the rental of tower for the two geographical areas of business (EUR 47.6 million in the first half of 2023), EUR 5.5 million in royalties (EUR 5.4 million in the first half of 2023) and EUR 12.3 million relating to rents (out scope IFRS16) mainly for television studios and equipment and office space (EUR 12.4 million in the first half of 2023).

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

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

# 4.5 AMORTISATION, DEPRECIATION AND IMPAIRMENTS

| | 1H 2024 | 1H 2023 |
|---|---|---|
| Amortisation of TV and movie rights | 178.8 | 187.9 |
| Amortisation of other intangible assets | 18.7 | 18.5 |
| Amortisation of property, plant and equipment | 22.2 | 22.0 |
| Impairments/(Reversal) of receivables | 1.1 | 0.1 |
| **Total amortisation, depreciation and impairments** | **220.7** | **228.5** |

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

# 4.6 FINANCIAL INCOME/(EXPENSES)

| | 1H 2024 | 1H 2023 |
|---|---|---|
| Interests on financial assets | 2.2 | 3.2 |
| Interest on financial liabilities | (13.1) | (19.9) |
| Dividend from FVTOCI investments | - | 3.3 |
| Other financial income/(expenses) | 1.3 | 1.5 |
| Foreign exchange gains (losses) | 1.7 | 2.1 |
| **Total financial income/(expenses)** | **(8.0)** | **(9.8)** |

*Dividends from FVTOCI investments* as at 30 June 2023 included the dividends approved by ProSiebenSat.1 Media SE, since until that date the investment had been accounted in accordance with IFRS 9.

The reduction in *Interest on financial liabilities* is substantially due to improvements in the Group's financing operations, with a lower average financial debt during the period under review.

# 4.7 RESULT FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

| | 1H 2024 | 1H 2023 |
|---|---|---|
| Result of equity investments accounted for using the equity method | 10.3 | 7.2 |
| **Total** | **10.3** | **7.2** |

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

- income of EUR 4.7 million for the equity investment in ProsiebenSat1 Media SE;
- income of EUR 2.9 million for the equity investment in EI Towers (income of EUR 4.9 at 30.06.2023);
- income of EUR 3.2 million for the equity investment in Fascino PGT S.r.l. (income of EUR 1.1 at 30.06.2023);
- loss of EUR 1.1 million for the equity investment in Boing S.p.A. (loss of EUR 1.2 at 30.06.2023);
- income of EUR 0.8 million for the equity investment in Unicorn Content SL (income of EUR 0.5 at 30.06.2023);
- income of EUR 0.3 million for the equity investment in Bulldog TV (income of EUR 0.8 at 30.06.2023).

# 4.8 TAXES FOR THE PERIOD

| | 1H 2024 | 1H 2023 |
|---|---|---|
| Current taxes | 5.3 | 3.7 |
| Tax expenses (foreign companies) | 7.3 | 11.4 |
| Deferred tax effects | 20.2 | 11.3 |
| | **32.9** | **26.4** |

At 30 June 2024, the MFE Group's deferred and current taxes for the period were calculated in accordance with the applicable tax regulations and the information currently available.

*Current taxes* include the IRAP tax expense for the half-year, and the IRES taxes levied during the period 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 deductible from prior year losses) and prior year tax generated as a result of the recalculation of taxes upon submission of the income tax return with respect to the amount recognised in the financial statements for previous years.

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

Deferred tax assets/liabilities mainly show the movements for the period for the allocations and/or uses generated as a result of changes in the temporary differences between the taxable base and the carrying amount of assets and liabilities. As mentioned in Note 5.5 *Deferred tax assets and liabilities*, deferred tax assets included the EUR 9.1 million utilisation following the positive taxable income generated during the period by companies scoped into the Italian tax consolidation arrangement.

## 4.9 EARNINGS/LOSS PER SHARE

Basic and diluted earnings per share are calculated as follows:

| | 1H 2024 | 1H 2023 (1) |
|---|---|---|
| Net result for the period (millions of euro) attributable to equity shareholders of the parent company | 104.7 | 87.1 |
| Number of ordinary shares (excluding treasury shares) | 560,224,002 | 560,222,356 |
| **Basic EPS** | **0.19** | **0.16** |
| Number of ordinary shares (excluding treasury shares) for the diluted EPS computation | 560,953,542 | 560,222,356 |
| **Diluted EPS** | **0.19** | **0.16** |

(1) For comparative purposes, the number of ordinary shares for the first half of 2023 has been restated as a result of the reverse split conducted on 23 October 2023

Earnings per share are calculated by dividing the Group net profit/loss by 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 2023 comparative based by applying the same number of outstanding shares as in the first half of 2024, both basic and diluted EPS would result in EUR 0.16 per share.

# 5. NOTES ON MAIN CHANGES IN ASSETS

## 5.1 PROPERTY, PLANT AND EQUIPMENT

| | Owned property, plant and equipment | Property, plant and equipment - Right of use | TOTAL |
|---|---|---|---|
| **Balance at 31/12/2023** | **205.7** | **105.5** | **311.2** |
| Business combinations/changes in consolidation area | 3.3 | 0.2 | **3.5** |
| Additions | 12.0 | 3.4 | **15.4** |
| Disposals | (0.1) | (0.0) | **(0.1)** |
| Amortisation, depreciation and impairments | (14.3) | (8.2) | **(22.6)** |
| Other changes | (5.9) | 0.4 | **(5.5)** |
| **Balance at 30/06/2024** | **200.7** | **101.2** | **301.9** |

The EUR 12.0 million increase in **Owned property, plant and equipment** refers to the EUR 2.0 million in investments in technical equipment, EUR 1.6 million in investments for the upgrade and outfitting of workspace, EUR 1.5 million for the refurbishment of the single Full HD broadcast system and EUR 1.6 million for the new production units in the Rome studios.

*Other changes* include a EUR 5.4 million decrease of the net value of assets due to the refund payment received, on 13 June 2024, by some Group companies which in December 2023 submitted applications to receive public funding under the "Extraordinary Fund for Actions to Support Publishing", established in Italy by Law No. 234 of 30 December 2021. The funding covers 70% of eligible expenses of private broadcasters (national audiovisual media services providers that have an allocated LCN, digital radio providers and consortiums of audio digital broadcasters) that in 2022 had made capital expenditures in innovative digital transition technologies for upgrading infrastructure and production processes with a view to enhancing the quality of content and its enjoyment by users. Refund payment was accounted for as reduction of net value of assets according to IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance".

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

# 5.2 TV AND MOVIE RIGHTS, GOODWILL AND OTHER INTANGIBLE ASSETS

| | TV and movie rights | Goodwill | Other intangible assets | TOTAL |
|---|---|---|---|---|
| **Balance at 31/12/2023** | **752.6** | **804.7** | **464.6** | **2,022.0** |
| Business combinations/changes in consolidation area | - | 5.0 | - | **-** |
| Additions | 215.1 | - | 21.9 | **237.0** |
| Disposals | - | - | - | **-** |
| Amortisation, depreciation and impairments | (178.8) | - | (18.7) | **(197.5)** |
| Other changes | 15.6 | - | (16.5) | **(0.9)** |
| **Balance at 30/06/2024** | **804.6** | **809.7** | **451.3** | **2,060.6** |

The main changes on the figures shown in the consolidated financial statements at 31 December 2023 are summarised below:

- Increases in **Television and movie rights** of **EUR 231.8 million**, of which EUR 215.1 million refer to purchases in the period and EUR 16.7 million refer to capitalisation of advances paid to suppliers (recognised as Other intangible assets at 31 December 2023).
- The increase in **goodwill** includes the EUR 4.6 million posted upon the line-by-line consolidation, from 1 January 2024, of Mediamond (previously accounted using the equity method) and its subsidiary Videowall, as a result of Mediamond's prior acquisition of a controlling stake in Videowall. As mentioned previously, this transaction is categorised for accounting purposes as a *business combination under common control*. As a result, on the date of initial consolidation, the assets (including goodwill) and liabilities of the acquired entity were recognised in the consolidated financial statements of the acquiring entity. The values recognised were those recorded in the consolidated financial statements of the company exercising common control over the parties involved in the transaction as at the date of the transfer.
- Increases in **Other intangible assets** mainly referred to intangible assets in progress and advances, particularly advances paid to suppliers for the acquisition of broadcasting rights. As already noted for TV and movie rights, *Other changes* included decreases of EUR 16.7 million relating to the reclassification of the capitalisation of advances paid to suppliers.

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

At 30 June 2024, the designation of the CGUs was identical to their designation at 31 December 2023 given that there were no changes made to the Group structure that would require them to be reviewed. In particular, the CGUs are aligned with the operating segments set forth in IFRS 8 (Spanish segment, incorporating the activities under the responsibility of Grupo Audiovisual Mediaset España or with business lines that can be identified within the Italian segment (Free TV Italy, Pay TV, Radio, and Other activities). Other activities mainly pertain to the advertising sales of Group and of third parties radio, managed by Digitalia '08 and also include from 1 January 2024, following the line-by-line consolidation of Mediamond, the advertising sales of Group and third-party websites and DOOH.

The following table shows the amounts and the allocation of goodwill to each CGU at 30 June 2024.

| CGU | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Grupo Audiovisual Mediaset España | 658.2 | 657.8 |
| Free TV Italy | 145.6 | 145.6 |
| Other advertising sales | 5.9 | 1.3 |
| **Total Goodwill** | **809.7** | **804.7** |

At the interim reporting date, the market capitalisation of MFE was lower than the net consolidated carrying amounts. However, this gap was significantly lower than the difference that had been determined at 31 December 2023, with MFE's market cap increasing by 30% during the period under review. In spite of this, the main external indicators and the trends in the main performance indicators for the period as compared to the budget offer no evidence to suggest that the conclusions arising from the impairment testing carried out on the Group's non current assets for the purposes of the Group's Consolidated Financial Statements for the year ended 31 December 2023 should be revised as at the date of these Condensed Consolidated Interim Financial Statements. This testing, which was carried out by applying the value in use methodology and preparing specific sensitivity analyses for the Group's main CGUs, had shown that the carrying amounts of the Spain CGU and the Free TV Italy CGU were broadly recoverable. The testing had also confirmed the recoverability of the carrying amount of the Radio CGU and the residual carrying amounts of the pay/SVoD series and movie rights library, which had been written down in previous years.

In this context, the Directors analyzed as at 30 June 2024 the main internal and external indicators, confirming their conclusions about the recoverability of the Group's non current assets.

In particular, despite the continuation of an extremely unstable and uncertain macroeconomic and geopolitical climate, the analysis confirmed the medium-to-long term economic and financial projections contained in the latest approved plans, taking into account the main observable evidence in relation to the key variables on that date. More specifically, as at the reporting date of the Condensed Consolidated Interim Financial Statements were taken into consideration the following elements:

- the main variables used for the reference context were taken from the best external information available at the time, mainly relating to the expected evolution of the main macroeconomic variables (GDP, inflation, consumption and interest rated) and the trend forecast by the main specialised observers for the advertising market, which are still mainly focused on short-term revisions of the estimates forecast for the current year, which are generally more positive than the forecasts made in the business plan used in the impairment test performed as at 31 dec. 2023;

- the main internal evidence concerning the operating profit and free cash flow generation achieved by the various CGUs (in the period under review the deviations were all positive);
- the Group's access to the levers necessary to review and adapt its editorial offering, costs and investment profile where necessary, as also demonstrated against a negative macroeconomic backdrop.

Finally, by monitoring the discount rates represented by the weighted average cost of capital for the Group's various CGUs based on the main underlying financial parameters observed as at the reference date, it was also possible to identify (also taking into account updates to medium-term inflation forecasts in the Group's main countries of operations) that discount rates were essentially unchanged from those used in the impairment process carried out at 31 December 2023 and, for the Group's main CGUs, even lower rates than the values found in the sensitivity analyses conducted on the same date, at which the recoverable value equalled their respective book values.

On this basis, even though MFE's share values were lower than their carrying amount on the reporting date, no impairment of the Group's non-current assets was necessary.

## 5.4 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES AND OTHER FINANCIAL ASSETS

| | Investments in associates and joint ventures | Equity Investments in other companies | Receivables and other financial assets | Hedging derivatives | **Total equity investments and other financial assets** |
|---|---|---|---|---|---|
| **Balance at 31/12/2023** | **909.5** | **71.9** | **13.5** | **8.6** | **1,003.5** |
| Additions | 7.8 | 1.3 | 0.2 | - | **9.3** |
| Disposals | (0.0) | - | (0.7) | - | **(0.7)** |
| Fair value changes | | 6.1 | - | (0.5) | **5.5** |
| Result of equity investments accounted for using the equity method | 10.3 | | | | **10.3** |
| Other comprehensive income | 4.6 | - | - | - | **4.6** |
| Other changes | 24.0 | (49.8) | - | - | **(25.9)** |
| **Balance at 30/06/2024** | **956.2** | **29.6** | **13.0** | **8.0** | **1,006.7** |

The *additions* in **Investments in associates and joint ventures** mainly refer to the EUR 4.0 million acquisition of a 30.53% stake in Podcasting Service S.L., the EUR 2.2 million acquisition of an additional stake in Alea Media Estudio and the EUR 1.5 million acquisition of a 0.67% stake in P7S1.

The *additions* in **Equity investments in other companies** refer to the acquisition of shares falling within the AD4Venture business.

*Fair value changes* include a +EUR 6.9 million change due to the measurement of fair value (with a balancing entry in the *Revaluation reserve*) of the 3.3% equity shareholding held in P7S1, which up to 31 March 2024 was classified and accounted for under **Equity investments in other companies** in accordance with IFRS 9.

As already mentioned, on 31 March 2024 this shareholding was reclassified under **Investments in associates and joint ventures** as a result of the cash-settled unwinding of the outstanding hedging agreements over the 3.3% stake in the share capital of P7S1 during the first quarter. This reclassification of EUR 49.8 million is recognised in the statement above under *Other changes* and represents the fair value of the 3.3% share at 31 March 2024.

From that date, the entire 29.0% equity investment held in P7S1 (which, net of treasury shares, is equivalent to a 29.8% share of economic interests and voting rights) is therefore classified and accounted for as an investment in associates under IAS 28.

*Other changes* also include a reduction in **Investments in associates and joint ventures** as a balancing entry for the dividends distributed by that company during the period under review.

The item *Result of equity investments accounted for using the equity method* refers to the pro-rata share of the profits of associates and joint ventures. Reference should be made to Note 4.6 for details on the economic effects of the main investees during the period.

Regarding to the **equity investment in P7S1**, the carrying amount at 30 June 2024 includes an embedded goodwill of EUR 171.6 million provisionally determined on the corresponding portions of the investee's shareholders' equity at 30 June 2023 and at the other reference dates on which the various stakes and new acquisitions were classified under IAS 28.

This value has been confirmed as definitive as at 30 June 2024, when the purchase price allocation (PPA) process required by IFRS 3 has been completed. The PPA process consisted of analyses to retroactively determine the pro-rata fair value of the assets and liabilities acquired as compared to the investee's carrying amounts at 30 June 2023 (the date the investment was first classified in accordance with IAS 28) and, accordingly, to determine (on a residual and definitive basis) the embedded goodwill contained in the initial cost of the investment.

This process, carried out based on public available information, resulted in no adjustments. In particular no additional intangible assets with definite useful life have been identified and no additional material provisions has been accrued in respect to the contingent liabilities existed in P7S1 at that date.

At 30 June 2024, the carrying amount of the investment held in P7S1 (EUR 551.7 million, corresponding to EUR 8.17 per share) was still higher than its stock market value (EUR 446.7 million, corresponding to EUR 6.62 per share). Management concluded, based on public information including the assessment of the volatility of the share price of P7S1, that no prolonged decrease in value is visible and such no impairment is recognised.

This valuation is to be noted by the management.

The main details of the significant equity investments held in associates are given below:

| | ProsiebenSat.1Media SE | | EI Towers Group | |
|---|---|---|---|---|
| | 30/06/2024 | 31/12/2023 | 30/06/2024 | 31/12/2023 |
| Net shareholders' equity of material associates | 1,276 | 1,260 | 903.1 | 919.0 |
| Group's shareholding (%) | 29.8% | 26.3% | 40% | 40% |
| Group's shareholding in associate | 380.1 | 330.7 | 361.2 | 367.6 |
| Goodwill | 171.6 | 165.15 | - | - |
| Other components | - | - | 0.3 | 0.3 |
| **Carrying amount of the Group's shareholding in material associates** | **551.7** | **495.9** | **361.5** | **367.9** |

## 5.5 DEFERRED TAX ASSETS AND LIABILITIES

| | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Deferred tax assets | 309.2 | 327.2 |
| Deferred tax liabilities | (86.5) | (84.8) |
| **Net position** | **222.7** | **242.4** |

The EUR 19.7 million reduction in *Deferred tax assets* relates both to the EUR 9.1 million utilisation of deferred tax assets recognised for prior-year tax losses and to the net utilisation generated by the temporary mismatch of the tax and accounting values of assets and liabilities.

At 30 June 2024, MFE Group's deferred and current taxes for the period were measured in accordance with the applicable tax regulations and the information currently available. As a result of this calculation, the value of deferred tax assets on IRES tax losses that may be carried forward indefinitely and which were generated within the Italian tax consolidation scheme (EUR 181.8 million at 31 December 2023) decreased in line with the estimates formulated as part of the recoverability testing carried out at the end of last year (EUR 172.7 million at 30 June 2024). Therefore, there were no events or indicators during the six months half year that would change the medium/long-term recovery forecasts made when preparing the consolidated financial statements at 31 December 2023, which in turn were based on the estimated future taxable income of the companies included in the domestic tax consolidation scheme as derived from the most recent business plans; the recovery period was estimated at almost a decade.

## 5.6 TRADE RECEIVABLES

| | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Receivables from customers | 695.7 | 744.5 |
| Receivables from related parties | 7.0 | 30.9 |
| **Total** | **702.7** | **775.4** |

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

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

## 5.7 OTHER RECEIVABLES AND CURRENT ASSETS

| | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Other receivables | 180.8 | 211.1 |
| Prepayments and accrued income | 67.4 | 54.5 |
| **Total** | **248.2** | **265.6** |

Other receivables mainly include:

- advances totalling EUR 21.6 million to suppliers, contractors and agents, and to suppliers, artists and professionals involved in television productions (EUR 17.5 million at 31 December 2023);
- EUR 30.6 million in amounts receivable from tax authorities (EUR 29.9 million at 31 December 2023);
- EUR 114.1 million in amounts receivable from factoring companies (EUR 159.8 million at 31 December 2023).

Prepayments and accrued income mainly refer to the already-incurred costs, attributable to future periods, pertaining to the fees paid for the third parties advertising sales managed by the Group for EUR 27.5 million, to maintenance costs for EUR 8.7 million, and to EUR 7.9 million in television production costs.

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

## 6.1 REVALUATION RESERVES

| | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Revaluation reserve for cash flow hedges | 16.5 | 16.9 |
| Revaluation reserve for investments measured at FVTOCI | (14.8) | (60.2) |
| Options time value reserve | - | (7.9) |
| Options intrinsic value reserve | - | 13.0 |
| **Total** | **1.7** | **(38.2)** |

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

| | Revaluation reserve for cash flow hedges | Revaluation reserve for investments measured at FVTOCI | Options time value reserve | Options intrinsic value reserve | Total Valuation reserve |
|---|---|---|---|---|---|
| **Balance at 31/12/2023** | **16.9** | **(60.2)** | **(7.9)** | **13.0** | **(38.2)** |
| Increase/(decrease) | - | - | - | - | **-** |
| Reclassification to profit or loss | - | - | - | - | **-** |
| Basis adjustment | (3.7) | - | - | - | **(3.7)** |
| Fair value changes | 3.2 | 6.1 | (1.5) | (2.8) | **4.9** |
| Deferred tax effects | 0.1 | - | - | - | **0.1** |
| Other changes | - | 39.2 | 9.5 | (10.2) | **38.5** |
| **Balance at 30/06/2024** | **16.5** | **(14.8)** | **-** | **-** | **1.7** |

**Other changes** – relating to the items *FVTOCI equity investments, Options time value reserve* and *Options intrinsic value reserve* – mainly refers to the reclassification under Retained Earnings of the cumulative fair value differences following the cash-settled unwinding of the outstanding hedging agreements over the 3.3% stake in P7S1 and, consequently, to the reclassification of the ProSieben investment under *Investments in associates and joint ventures*.

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

## 6.2 RETAINED EARNINGS AND OTHER RESERVES

| | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Reserve from equity investments accounted for using the equity method | (9.6) | (12.7) |
| Consolidation reserve | (81.9) | (79.0) |
| Reserves for transaction with non-controlling interest | 249.7 | 249.7 |
| Stock option and incentive plans reserve | 11.4 | 9.8 |
| Reserve from actuarial gains/(losses) | (30.4) | (29.9) |
| Retained earnings | 1,636.9 | 1,607.1 |
| **Total** | **1,776.0** | **1,744.8** |

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

At 30 June 2024, the Stock option and incentive plans reserve consisted of the contra-entries for costs accrued, measured in accordance with IFRS 2, relating to medium-long term incentive plans adopted by MFE-MEDIAFOREUROPE N.V. The EUR 1.6 million change for the period relates to increases in the costs accruing under incentive plans issued by the Group in the 2022 and 2023 financial years.

The change in *Retained earnings* is primarily due, firstly, to the recognition of the profit for the 2023 financial year and the distribution of EUR 140.1 million in dividends, paid out on 24 July in accordance with the Shareholders' Meeting resolution of 19 June 2024 and, secondly, the reclassification from the Revaluation reserves following the cash-settled unwinding of hedging agreements described in section *6.1 Revaluation reserves*.

# 6.3 FINANCIAL PAYABLES AND LIABILITIES

| | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Due to banks | 346.1 | 698.1 |
| Payables to other lenders | 0.1 | 8.1 |
| IFRS 16 lease financial liabilities (non-current portion) | 90.8 | 94.6 |
| Other financial liabilities | - | 0.3 |
| **Total** | **437.0** | **801.1** |

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

A breakdown of the EUR 352 million **decrease** for the period is mainly given below:

- reclassification, under Current portion of non-current debt, of EUR 315 million nominal for three credit facilities maturing in the next 12 months;
- reclassification of EUR 19.6 million as the current portion of two loans;

Existing loans and credit facilities are subject to financial covenants which are assessed every six months on a consolidated basis. If any financial covenants are breached, both for the loans and credit facilities, MFE-MEDIAFOREUROPE N.V. could be called upon to repay all amounts drawn. At 30 June 2024, these financial parameters were satisfied in full. Based on current evidence, and despite the high levels of economic uncertainty, it is reasonable to expect that these parameters will also be satisfied during the next 12 months.

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

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

**Other financial liabilities** at 31 December 2023 mainly referred to the non-current portion of payables relating to the options to purchase non-controlling interests in subsidiaries.

# 6.4 DUE TO BANKS

| | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Current portion of non-current debt | 403.1 | 204.5 |
| Credit facilities | - | 27.0 |
| **Total** | **403.1** | **231.5** |

**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 315 million nominal in credit facilities falling due within 12 months, the reclassification of the EUR 19.6 million nominal current portion of medium-to-long term loans and the repayment of credit facilities totalling EUR 152.4 million.

All **Credit facilities** are subject to floating interest rates and refer to short-term loans with a due date set formally at one year and are renewable. The fair value of credit lines is in line with their carrying amount. The change compared to 31 December 2023 refers to the total repayment of these credit lines.

# 6.5 OTHER FINANCIAL LIABILITIES

| | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Payables to other lenders | 47.8 | 44.1 |
| IFRS 16 financial payables | 17.5 | 17.4 |
| Financial liabilities for other hedging derivatives | 0.1 | 2.0 |
| Financial liabilities for hedging derivatives on equity instruments | - | 0.5 |
| **Total** | **65.4** | **63.9** |

**Payables to other financial lenders** mainly consist of cash pooling with associates and joint ventures totalling EUR 37.2 million (EUR 39.2 million at 31 December 2023), loans totalling EUR 0.4 million (EUR 0.4 million at 31 December 2023) received to finance movie development, distribution and production operations and payables relating to the options to purchase non-controlling interests in subsidiaries.

**Financial liabilities for other hedging derivatives** at 31 December 2023 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.

The change in **Financial liabilities for hedging derivatives on equity instruments** relate to the closing of the cash-settled unwinding of the financial agreements hedging the fair value changes in the equity investment held in Prosiebensat.1 Media SE equal to 3.3% of share capital.

## 6.6 RISK PROVISIONS AND CONTINGENT LIABILITIES

| | 30/06/2024 | 31/12/2023 |
|---|---|---|
| **Balance at 1/1** | **98.4** | **108.5** |
| Accruals | 21.1 | 37.9 |
| Utilization | (28.7) | (48.4) |
| Financial charges | 0.1 | 0.1 |
| Business combination/Change in the consolidation area | 5.3 | 0.2 |
| **Balance at 30/06** | **96.1** | **98.4** |
| **Of which:** | | |
| Within 12 months | 62.8 | 69.1 |
| After 12 months | 33.3 | 29.3 |
| **Total** | **96.1** | **98.4** |

Risk provisions at 30 June 2024 mainly refer to legal proceedings totalling EUR 30.2 million (EUR 28.7 million at 31 December 2023), staff disputes and business restructuring plans totalling EUR 12.1 million (EUR 13.2 million at 31 December 2023) and contractual risks totalling EUR 43.6 million (EUR 47.9 million at 31 December 2023), of which risks relative to the under-utilisation of artistic resources compared to contractual agreements totalling EUR 8.6 million (EUR 8.5 million at 31 December 2023). The breakdown of risk provisions by their maturity date reflects the foreseeable duration of each proceedings.

As regards ongoing proceedings and the related contingent liabilities at 30 June 2024, no significant facts existed at the reporting date of these Condensed Consolidated Interim Financial Statements which were not previously reported in the Consolidated Financial Statements for the year ended 31 December 2023.

As regards ongoing proceedings and the related contingent liabilities as of 30 June 2024, no significant facts existed at the reporting date of these Condensed Consolidated Interim Financial Statements which were not previously reported in the Consolidated Financial Statements for the year ended 31 December 2023.

Specifically, in relation to procedure No. 1181/10 followed by ITV against Mediaset España (currently Grupo Audiovisual Mediaset España Comunicación – "GAM" – which as a result of the segregation of assets in the first half of last year took over all rights and obligations arising from the proceedings against the defunct company Mediaset España Comunicación S.A) about the use of the Pasapalabra format, at present, a decision is still pending by which the Court establishes the financial compensation that GAM must pay to ITV for the post-contractual use of the Pasapalabra format, based on the benefit obtained by Mediaset España for the use of said format. Based on the criteria of Mediaset Espana external legal advisors, we consider prudent to keep our initial estimate in place and, therefore, that the outcome of this case does not lead to changes to our provision as recorded in the latest consolidated financial statements as per 31 December 2023.

In relation to procedure 000401/2014-CR , also followed by ITV against Mediaset España (GAM), in this case for the illegitimate use of the Pasapalabra trademark, despite ITV having been recognized as the owner of said trademark, the Supreme Court, in its judgment of February 6, 2024, definitely declared that there is no reason to set compensation for the damages suffered by ITV since said damages, if they existed, would already be included in the compensation to be set for the use of the format in procedure No. 1181/10, described above.

# 6.7 TRADE AND OTHER PAYABLES

| | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Trade and other payables | 578.5 | 544.8 |
| Due to related parties | 59.2 | 57.9 |
| **Total** | **637.7** | **602.6** |

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

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

# 6.8 OTHER CURRENT LIABILITIES

| | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Due to social security institutions | 19.9 | 19.2 |
| Withholding tax on employees' wages and salaries | 9.6 | 11.5 |
| VAT payables | 29.6 | 28.5 |
| Other tax payables | 13.2 | 12.3 |
| Advances | 8.4 | 9.2 |
| Other payables | 222.3 | 93.9 |
| Prepayments and accrued income | 14.3 | 16.7 |
| **Total** | **317.4** | **191.4** |

The change in Other payables refers almost exclusively to the EUR 140.1 million in dividends approved by the Shareholders' Meeting of MFE-MEDIAFOREUROPE N.V. of 19 June 2024, which were yet to be paid at the reporting date of these Condensed Consolidated Interim Financial Statements and were subsequently paid on 24 July 2024.

Accruals and deferred income includes EUR 1.5 million in deferred income for right-of-use TV rights licenses.

# 6.9 NET FINANCIAL POSITION

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

| | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Cash in hand | 0.1 | 0.1 |
| Bank and postal deposits | 230.1 | 175.2 |
| **Liquidity** | **230.2** | **175.3** |
| **Current financial assets and receivables** | **4.6** | **7.2** |
| Credit facilities | (0.1) | (27.0) |
| Current portion of non current debt | (403.1) | (204.5) |
| Other current payables and financial liabilities | (56.8) | (60.9) |
| **Current financial debt** | **(459.9)** | **(292.5)** |
| **Current Net Financial Position** | **(225.1)** | **(110.0)** |
| Non current due to banks | (346.1) | (698.1) |
| Non-current financial payables and liabilities | (90.9) | (94.8) |
| Trade and other payables | - | - |
| **Non current financial debt** | **(437.0)** | **(792.8)** |
| **Net Financial Position** | **(662.0)** | **(902.8)** |
| Current portion of non current debt | - | 52.6 |
| IFRS 16 lease financial liabilities (current portion) | 17.5 | 17.4 |
| Non current due to banks | - | - |
| IFRS 16 lease financial liabilities (non-current portion) | 90.8 | 94.6 |
| **Net financial position (excluding IFRS 16 liabilities and ProSieben acquisition debt)** | **(553.7)** | **(738.2)** |

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

**Current financial assets and receivables** mainly comprises EUR 2 million in receivables from associate companies.

The **Current portion of non-current debt** comprises EUR 403.1 million as the current portion of medium-long term credit facilities (EUR 204.5 million at 31 December 2023). The change compared to 31 December 2023 mainly refers to the reclassification of payables maturing during the period from long-term to short-term payables.

The Group recognised trade payables due in more than 12 months for the acquisition of TV and film rights for a total of EUR 4.6 million. However, these have not been included in the Net Financial Position as the Directors believe that they do not have a significant implicit or explicit financing component in accordance with the “Guidance on Disclosure Requirements under the Prospectus Regulation" published by ESMA on 3 March 2021. Payables relating to the dividends resolved by the Shareholders' Meeting on 19 June 2024 and paid out after the end of the period are recorded for a total of EUR 140.1 million under *Other current liabilities*, and therefore are not included in the Net Financial Position.

# 7. GUARANTEES AND COMMITMENTS

The overall amount of **guarantees received**, mainly bank guarantees, for receivables from third parties totalled EUR 3.9 million (EUR 6.4 million at 31 December 2023).

In addition, **bank guarantees** in favour of third-party companies were issued for a total amount of EUR 91.4 Million (EUR 89.8 million at 31 December 2023).

The main **commitments** of the MFE Group companies at 30 June 2024 can be summarised as follows:

- commitments for the acquisition of television and movie broadcasting rights (free and pay), totalling EUR 497.0 million (EUR 631.1 million at 31 December 2023). These future commitments relate mainly to volume deal contracts of the MFE Group with some of the leading American TV producers.
- EUR 8.3 million to associates for the acquisition of content, sport events and rental contracts (EUR 11.0 million at 31 December 2023).
- commitments for artistic projects, television productions and press agency contracts of approximately EUR 256.0 million (EUR 321.8 million at 31 December 2023), of which EUR 125.9 million due to Related Parties;
- commitments for digital broadcasting capacity services of EUR 0.7 million (EUR 1.5 million at 31 December 2023);
- EUR 9.9 million in contractual commitments for satellite capacity use (EUR 11.9 million at 31 December 2023).
- commitments to the EI Towers Group of approximately EUR 153.0 million (EUR 229.1 million at 31 December 2023) relating to the long-term contract for hospitality, support and maintenance services (full service), expiring on 30 June 2025.
- commitments (out of scope IFRS16) 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 242.0 million (EUR 181.2 million at 31 December 2023);

# 8. STATEMENT OF CASH FLOWS

## 8.1 OTHER PROVISIONS AND NON-CASH MOVEMENTS

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

## 8.2 CHANGE IN OTHER ASSETS AND LIABILITIES

This item includes changes in *Other receivables and current assets*, *Post-employment benefit plans* and *Other current liabilities*, as well as EUR 5.2 million as the exchange difference arising from the cash settlement of exchange rate hedges for the ineffective portion of the hedge (EUR 3.7 million at 30 June 2023).

## 8.3 PROCEEDS FROM GOVERNMENT GRANTS

In 2023, this item referred to the grants received under the Ministry of Economic Development (MISE) – now the Ministry of Enterprise and Made in Italy (MIMIT) – Interministerial Decree of 17 November 2021 setting out compensatory measures for transmission facilities upgrade costs incurred by network operators nationwide as a consequence of the refarming of frequencies for the digital terrestrial television service.

## 8.4 PAYMENTS FOR EQUITY INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

This item refers to the acquisition of shares in associates, as described in Note 5.4.

## 8.5 PROCEEDS/(PAYMENTS) FOR HEDGING DERIVATIVES ON FINANCIAL ASSETS

This item includes proceeds relating to the cash-settled unwinding of the outstanding hedging agreements over the 3.3% stake in the share capital of P7S1 during the first half of 2024.

## 8.6 PROCEEDS/(PAYMENTS) FOR OTHER FINANCIAL ASSETS

In the first half of 2024 the items refers for EUR 1.3 million to the acquisition of shares falling within the AD4Venture business. In the first half of 2023, this item mainly referred to the acquisition of a 3.86% stake in the stake in the share capital of Prosiebensat.1 Media SE and the acquisition of equity interests as part of the “AD4ventures” business.

## 8.7 DIVIDENDS RECEIVED

In the first half of 2024, this item referred to the EUR 6.0 million in dividends received from EITowers S.p.A. and the EUR 2.5 million in dividends received from ProsiebenSat1 Media SE, with the remainder referring to the dividends received from associates and joint ventures.

## 8.8 BUSINESS COMBINATIONS NET OF CASH AND CASH EQUIVALENTS ACQUIRED

For the first half of 2024, this item refers to the effects of acquiring a controlling interest in Mediamond S.p.A. (Business combination under common control) and Radical Change Contents S.L. (previously La Fábrica De La Tele S.L).

## 8.9 CHANGES IN CONTROLLING INTEREST

For the first half of 2023, 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.

# 9. 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 this Directors' Interim Report on Operations, are the same as the geographical areas (Italy and Spain) identified according to the location of operations.

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

## GEOGRAPHICAL SECTORS

The following tables report key financial information for the two geographical operational areas of Italy and Spain, as at 30 June 2024 and 2023, respectively.

The financial results for the first half of 2024 in the two geographic areas reflect the new corporate structure that was defined during the last period following the completion of the merger of Mediaset Espana into MFE. In particular, Spanish activities reflect the consolidated results of the companies under **Grupo Audiovisual Mediaset España**, a wholly owned subsidiary of MFE which manages all core activities of the MFE group in Spain.

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

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

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

| **1H 2024** | **ITALY** | **SPAIN** | **Eliminations/ Adjustments** | **MFE GROUP** |
|---|---|---|---|---|
| **MAIN INCOME STATEMENT FIGURES** | | | | |
| Revenues from external customers | 1,055.2 | 421.4 | | 1,476.5 |
| Inter-segment revenues | 0.9 | (0.6) | (0.3) | - |
| **Consolidated net revenues** | **1,056.1** | **420.8** | **(0.3)** | **1,476.5** |
| % | 72% | 29% | | 100% |
| **Operating Result (EBIT)** | **59.9** | **76.3** | **0.0** | **136.3** |
| Financial income/(losses) | | | | (8.0) |
| Result from investments accounted for using the equity method | | | | 10.3 |
| **Profit before tax** | | | | **138.6** |
| Income taxes | | | | (32.9) |
| **NET PROFIT FOR THE PERIOD** | | | | **105.7** |
| Attributable to:<br>- Equity shareholders of the parent company | | | | 104.7 |
| - Non-controlling Interests | | | | 1.0 |
| **OTHER INFORMATION** | | | | |
| Property, plant and equipment | 263.9 | 38.1 | - | 301.9 |
| TV and movie rights | 683.0 | 122.1 | (0.6) | 804.6 |
| Goodwill | 151.5 | 295.0 | 363.2 | 809.7 |
| Other intangible assets | 289.7 | 161.6 | - | 451.3 |
| Investments in associates and joint venture | 944.4 | 12.3 | (0.4) | 956.2 |
| **Non-current assets (*)** | **2,332.4** | **629.1** | **362.2** | **3,323.6** |
| Assets | 4,493.9 | 956.6 | (504.8) | 4,945.7 |
| Liabilities | 1,809.5 | 332.6 | (37.2) | 2,104.9 |
| Investments in tangible and intangible non-current assets (**) | 179.1 | 75.1 | (0.1) | 254.2 |
| Amortisation and depreciation | 162.9 | 58.1 | (0.3) | 220.7 |
| Other non monetary expenses | 2.3 | (4.0) | - | (1.7) |

(*) Excludes other non current financial assets and deferred taxes

(**) Includes the change in “Advances for television rights acquisitions”

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

(*) Excludes other non current financial assets and deferred taxes

(**) Includes the change in "Advances for television rights acquisitions"

# 10. DISCLOSURES ON FINANCIAL INSTRUMENTS

## 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 30 JUNE 2024 | BOOK VALUE | Mark to Market | Mark to Model | | | TOTAL FAIR VALUE |
|---|---|---|---|---|---|---|
| | | | Black&Scholes | Binomial model | DCF Model | |
| Equity investments | 29.6 | 29.6 | | | - | 29.6 |
| Trade receivables | 2.1 | | | | 2.0 | 2.0 |
| Due to banks | (749.1) | | | | (755.2) | (755.2) |
| M/L trade and other payables | (53.8) | | | | (52.2) | (52.2) |
| Cash flow hedging derivatives: | | | | | | |
| -Forward | 9.5 | | | | 9.5 | 9.5 |
| - IRS contracts | 15.3 | | | | 15.3 | 15.3 |

| BALANCE SHEET ITEM at 31 DECEMBER 2023 | BOOK VALUE | Mark to Market | Mark to Model | | | TOTAL FAIR VALUE |
|---|---|---|---|---|---|---|
| | | | Black&Scholes | Binomial model | DCF Model | |
| Equity investments | 71.9 | 71.9 | | | | 71.9 |
| Trade receivables | 5.2 | | | | 5.1 | 5.1 |
| Due to banks | (929.6) | | | | (935.8) | (935.8) |
| M/L trade and other payables | (47.4) | | | | (46.1) | (46.1) |
| Hedging derivatives on equity instruments | | | | | | |
| - Put | 14.5 | | 14.5 | | | 14.5 |
| - Call | (0.5) | | (0.5) | | | (0.5) |
| Other hedging derivatives | | | | | | |
| -Forward | 6.0 | | | | 6.0 | 6.0 |
| - IRS contracts | 16.9 | | | | 16.9 | 16.9 |

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 as it was very close to their carrying amount. As a result, the carrying amount stated for the receivables and payables for which the fair value was calculated also includes the portion due within 12 months of the reporting date. The calculation of the fair value of trade receivables only takes into account the creditworthiness of the counterparty when there is market information that can be used to determine it. For trade payables, fair value has been adjusted by taking into account the creditworthiness of MFE-MEDIAFOREUROPE N.V.

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

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

| BALANCE SHEET ITEM at 30 JUNE 2024 | BOOK VALUE | level I | level II | Level III | TOTAL FAIR VALUE |
|---|---|---|---|---|---|
| Equity investments | 29.6 | - | 29.6 | | 29.6 |
| Other hedging derivatives | | | | | |
| -Forward | 9.5 | | 9.5 | | 9.5 |
| - IRS contracts | 15.3 | | 15.3 | | 15.3 |

| BALANCE SHEET ITEM at 31 DECEMBER 2023 | BOOK VALUE | level I | level II | Level III | TOTAL FAIR VALUE |
|---|---|---|---|---|---|
| Equity investments | 71.9 | 42.9 | 29.0 | | 71.9 |
| Hedging derivatives on equity instruments | | | | | |
| - Put | 14.5 | | 14.5 | | 14.5 |
| - Call | (0.5) | | (0.5) | | (0.5) |
| Other hedging derivatives | | | | | |
| -Forward | 6.0 | | 6.0 | | 6.0 |
| - IRS contracts | 16.9 | | 16.9 | | 16.9 |

# 11. 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 (identified in accordance with IAS 24 and grouped by main relationship type):

| | Revenues | Costs | Financial income / (expense) | Trade receivables | Trade payables | Other receivables/ (payables) |
|---|---|---|---|---|---|---|
| **CONTROLLING ENTITY** | | | | | | |
| Fininvest S.p.A. | **0.0** | **2.5** | **-** | **0.0** | **0.1** | **(58.9)** |
| **AFFILIATED ENTITIES** | | | | | | |
| Associazione Calcio Monza S.p.A. | - | 6.4 | - | - | 3.1 | (0.0) |
| Arnoldo Mondadori Editore S.p.A.* | 2.4 | 8.8 | - | 1.8 | 7.4 | (0.0) |
| Fininvest Real Estate and Services S.p.A. | 0.0 | - | - | 0.0 | - | - |
| Mediolanum S.p.A.* | 2.2 | - | - | 1.4 | - | - |
| Other affiliated entities | 0.0 | 0.3 | - | 0.0 | 0.0 | - |
| **Total Affiliated Entities** | **4.6** | **15.4** | **-** | **3.2** | **10.5** | **(0.0)** |
| **ASSOCIATES AND JOINT VENTURES** | | | | | | |
| Boing S.p.A. | 4.2 | 7.8 | 0.0 | 2.9 | 6.4 | (2.6) |
| EI Towers Group ** | 0.8 | 79.7 | - | 0.2 | 1.5 | 3.3 |
| Fascino Produzione Gestione Teatro S.r.l. | 0.0 | 37.0 | (0.4) | 0.1 | 15.8 | (34.9) |
| Prosieben Group | 0.5 | - | - | - | - | 0.5 |
| Other joint ventures and associates | 1.4 | 51.7 | (0.0) | 0.6 | 24.9 | 6.7 |
| **Total Joint ventures and associates** | **7.0** | **176.3** | **(0.4)** | **3.7** | **48.6** | **(26.8)** |
| **KEY MANAGEMENT PERSONNEL***** | **-** | **8.3** | **-** | **-** | **-** | **(8.9)** |
| **SUPPLEMENTARY PENSION SCHEME (Mediafond)** | **0.0** | **(0.0)** | **-** | **0.0** | **-** | **(1.2)** |
| **OTHER RELATED PARTIES******** | **0.0** | **0.1** | **-** | **0.0** | **-** | **-** |
| **TOTAL RELATED PARTIES** | **11.6** | **202.6** | **(0.4)** | **7.0** | **59.2** | **(95.8)** |

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

** The figure includes the company and its subsidiaries.

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

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

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

The item *other receivables/(payables)* mainly refers to cash pooling and loans to associates. This item also includes the EUR 58.9 million in dividends to parent company Fininvest S.p.A. paid out on 24 July 2024 in accordance with the resolution passed at the MFE Shareholders' Meeting of 19 June 2024.

During the first six months, dividends were also collected from affiliates and jointly controlled entities, for a total of EUR 13.9 million.

# 12. SUBSEQUENT EVENTS AFTER 30 JUNE 2024

There are no significant subsequent events after 30 June 2024.

# LIST OF EQUITY INVESTMENTS INCLUDED IN THE GROUP'S CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2024

| Companies consolidated on a line-by-line basis | Registered Office | Currency | Share capital capital | % held by the Group (*) |
|---|---|---|---|---|
| **MFE-MEDIAFOREUROPE N.V.** | | | | |
| MFE Advertising S.p.A. | Milan | EUR | 0.1 | 100.00% |
| Mediaset S.p.A. | Milan | EUR | 600.0 | 100.00% |
| Publitalia '80 S.p.A. | Milan | EUR | 52.0 | 100.00% |
| Adtech Ventures S.p.A. | Milan | EUR | 0.1 | 100.00% |
| Beintoo S.p.A. | Milan | EUR | 0.1 | 80.00% |
| Digitalia '08 S.r.l. | Milan | EUR | 10.3 | 100.00% |
| Mediamond SpA | Milan | EUR | 2.4 | 100.00% |
| Videowall S.r.l. | Milan | EUR | 0.0 | 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 Desmarque Portal Deportvo SL | Sevilla | EUR | 0.0 | 100.00% |
| Megamedia Television S.L. | Madrid | EUR | 0.1 | 100.00% |
| Radical Change Contents S.L. | Madrid | EUR | 0.0 | 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 | % 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 ESTUDIO SA | Madrid | EUR | 0.1 | 45.00% |
| 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% |
| Ivoox Global Podcasting Service SL | Barcelona | EUR | 0.0 | 30.53% |
| 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 | 29.79% |
| 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 | % held by the Group (*) |
|---|---|---|---|---|
| Altania del Mar SL | Madrid | EUR | 0.0 | 12.48% |
| Aranova Freedom S.C.aR.L | Bologna | EUR | 0.0 | 23.33% |
| 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 | 4.44% |
| ByHours Travel S.L. | Madrid | EUR | 0.0 | 8.48% |
| Club Dab Italia Società Consortile per Azioni | Milan | EUR | 0.2 | 12.50% |
| Editori Radiofonici Associati S.r.l. | Milan | EUR | 0.0 | 15.20% |
| Genetiko Comunication S.p.A. | Conversano (Bari) | EUR | 0.0 | 15.00% |
| Gilda S.r.l. (in court-ordered liquidation) | Milan | EUR | 0.0 | 10.31% |
| Grover Group Gmbh | Berlin (Germany) | EUR | 0.0 | 0.34% |
| 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 | 5.91% |
| 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% |
| Tax Down SL | Madrid | EUR | 0.0 | 4.13% |
| 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 | 1.29% |

(*) The Group's shareholding is calculated by taking into account the stake directly and indirectly held by the Parent Company at 30 June 2024, excluding the treasury shares of subsidiaries and investees

# STATEMENT OF COMPLIANCE BY THE BOARD OF DIRECTORS

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

18 SEPTEMBER 2024

**Board of Directors**

| | | |
|---|---|---|
| **Fedele Confalonieri**<br>*Chairman* | **Pier Silvio Berlusconi**<br>*Chief Executive Officer* | **Marco Giordani**<br>*Executive Director and Chief Financial Officer* |
| **Patrizia Arienti**<br>*Non-Executive Director* | **Stefania Bariatti**<br>*Non-Executive Director* | **Marina Berlusconi**<br>*Non-Executive Director* |
| **Marina Brogi**<br>*Non-Executive Director* | **Consuelo Crespo Bofill**<br>*Non-Executive Director* | **Javier Diez de Polanco**<br>*Non-Executive Director* |
| **Giulio Gallazzi**<br>*Non-Executive Director* | **Gina Nieri**<br>*Executive Director* | **Danilo Pellegrino**<br>*Non-Executive Director* |
| **Alessandra Piccinino**<br>*Non-Executive Director* | **Niccolò Querci**<br>*Executive Director* | **Stefano Sala**<br>*Executive Director* |

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

Deloitte.

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# INDEPENDENT AUDITOR'S REVIEW REPORT

To the shareholders of MFE-MediaForEurope N.V.

**Our conclusion**

We have reviewed the condensed consolidated interim financial statements for the 6-month period ended 30 June 2024 of MFE-MediaForEurope N.V.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements for the 6-month period ended 30 June 2024 of MFE-MediaForEurope N.V. is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

The interim financial information comprises:

- The condensed consolidated interim statement of financial position as at 30 June 2024.
- The condensed consolidated interim income statement for the period from 1 January 2024 to 30 June 2024.
- The condensed consolidated interim statement of comprehensive income from 1 January 2024 to 30 June 2024.
- The condensed consolidated interim statement of cash flows 1 January 2024 to 30 June 2024.
- The condensed consolidated interim statement of changes in Shareholder's Equity as at 30 June 2024.
- The explanatory notes to the condensed consolidated interim financial statements for the 6-month period ended 30 June 2024.

**Basis for our conclusion**

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

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

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

**Responsibilities of the board of directors for the interim financial statements**

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

**Our responsibilities for the review of the interim financial information**

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

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

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

Our review included among others:

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

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

- Making inquiries of management and others within the entity.

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

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

- Evaluating the assurance evidence obtained.

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

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

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

Amsterdam, 18 September 2024

Deloitte Accountants B.V.

Signed on the original: E. Scheffer