



CAIRO COMMUNICATION

**Interim Management Statement
at 30 September 2023**

English translation for convenience of international readers. Only the Italian version is authentic

Cairo Communication S.p.A.
Head office: Via Angelo Rizzoli 8
Share capital Euro 6,989,663.10



Governance

Board of Directors (*)

Urbano Cairo (**)	Chairman
Uberto Fornara	CEO
Daniela Bartoli	Director
Valentina Beatrice Manfredi	Director
Laura Maria Cairo	Director
Roberto Cairo	Director
Massimo Ferrari	Director
Paola Mignani	Director
Marco Pompignoli	Director

Control and Risk Committee

Massimo Ferrari	Director
Daniela Bartoli	Director
Paola Mignani	Director

Remuneration and Appointments Committee

Paola Mignani	Director
Daniela Bartoli	Director
Valentina Manfredi	Director

Board of Statutory Auditors (***)

Michele Paolillo	Chairman
Gloria Marino	Standing Auditor
Maria Pia Maspes	Standing Auditor
Emilio Fano	Alternate Auditor
Francesco Brusco	Alternate Auditor

Independent Auditors (****)

Deloitte & Touche S.p.A.

(*) The Board of Directors was appointed by resolution of the Shareholders' Meeting held on 8 May 2023. The Directors are in office for the years 2023-2024-2025, therefore until the Shareholders' Meeting called to approve the financial statements for the year ending 2025

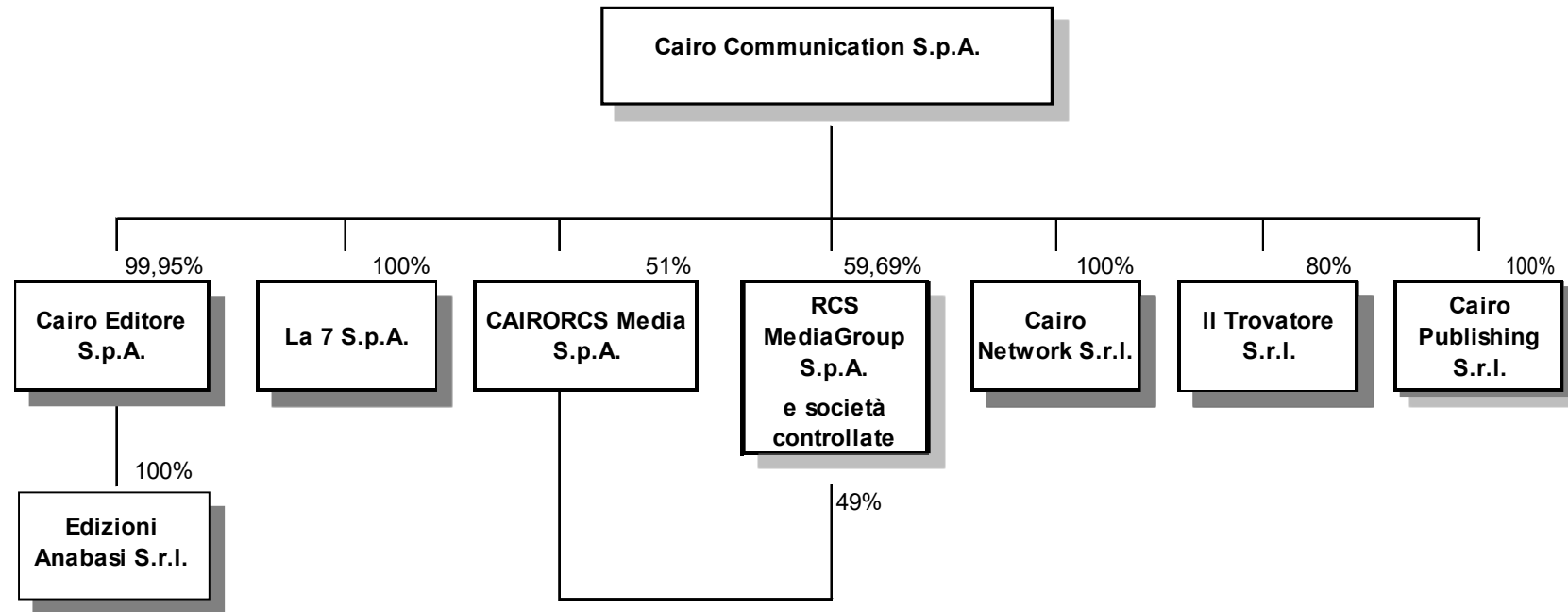
(**) Ordinary and extraordinary executive powers exercised with single signatory, as limited by the Board of Directors

(***) The Board of Statutory Auditors in office at the date of approval of this Report was appointed by resolution of the Shareholders' Meeting on 8 May 2023. The Statutory Auditors are in office for the years 2023-2024-2025, therefore until the Shareholders' Meeting called to approve the financial statements relating to the last of these years.

(****) In office until the Shareholders' Meeting called to approve the financial statements for the year ending 2028



The Group at 30 September 2023





1. Valuation principles and criteria adopted in preparing the Interim Management Statement at 30 September 2023

The financial statements in this Interim Management Statement were prepared following the reclassified statements usually adopted for the “Directors’ Report on Operations” and in accordance with international accounting standards. The provisions of the international accounting standard on interim financial reporting (IAS 34 "Interim Financial Reporting") are not applied.

The Interim Management Statement at 30 September 2023 was prepared in accordance with the requirements set out in Borsa Italiana Notice no. 7587 of 21 April 2016: "STAR Issuers: information on interim management statements".

The consolidated and separate income statement figures in first nine months 2023 are shown versus the corresponding period of 2022. Statement of financial position and equity figures appearing in the financial statements are compared with the figures of the consolidated financial statements at 31 December 2022.

The financial statements at 30 September 2023, as for those at 30 September 2022, were prepared net of tax and tax effects.

In first nine months 2023, the following companies were incorporated and fully consolidated: In Viaggio Doveclub S.r.l., RCS Innovation S.r.l. and Unidad Editorial USA Inc..

2. Alternative performance measures

In this Interim Management Statement, in order to provide a clearer picture of the financial performance of the Cairo Communication Group, besides of the conventional financial measures required by IFRS, a number of alternative performance measures are shown that should, however, not be considered substitutes of those adopted by IFRS.

The alternative measures are:

· **EBITDA:** used by Cairo Communication as a target to monitor internal management, and in public presentations (to financial analysts and investors). It represents a unit of measurement to assess Group and Parent operational performance, together with **EBIT**, and is calculated as follows:

Profit (loss) from continuing operations, pre tax

+/- Net finance income

+/- Other income (expense) from financial assets and liabilities

EBIT - Operating profit (loss)

+ Amortization & depreciation

+ Bad debt impairment losses

+ Provisions for risks

EBITDA – Operating profit (loss), before amortization, depreciation, provisions and write-downs



EBITDA (earnings before interest, tax, depreciation and amortization) is not classified as an accounting measure under IFRS, therefore, the criteria adopted for its measurement may not be consistent among companies or different groups.

RCS defines EBITDA as operating profit (EBIT) before depreciation, amortization and write-downs on fixed assets.

The main differences between the two definitions of EBITDA lie in the provisions for risks and in the allowance for impairment, included in the EBITDA definition adopted by RCS, while they are excluded from the EBITDA definition adopted by Cairo Communication. Owing to the differences between EBITDA definitions adopted, in this Interim Management Statement, consolidated EBITDA was determined consistently with the definition adopted by the parent Cairo Communication.

Consolidated gross revenue: for a more detailed view, and in consideration of the specific features of the segment, operating revenue - for advertising revenue - includes gross operating revenue, advertising agency discounts and net operating revenue. Consolidated gross revenue is equal to the sum of gross operating revenue and other revenue and income.

The Cairo Communication Group also considers the **net financial position (net financial debt)** as a valid measure of the Group's financial structure determined as a result of current and non-current financial liabilities, net of cash and cash equivalents and current financial assets, excluding financial liabilities (current and non-current) from leases previously classified as operating and recognized in the financial statements in accordance with IFRS 16.

The **total net financial position (net financial debt)** also includes financial liabilities from leases recorded in the financial statements pursuant to IFRS 16, previously classified as operating leases and non-remunerated debt, which have a significant implicit or explicit financing component (e.g. trade payables with a maturity of over 12 months), and any other non-interest-bearing loans (as defined by the "Guidelines on disclosure requirements under the Prospectus Regulation" published by ESMA on 4 March 2021 with document "ESMA32-382-1138" and taken up by CONSOB in communication 5/21 of 29 April 2021).



3. Group performance

In first nine months 2023, the Group operated as a:

- publisher of magazines and books (Cairo Editore/Editoriale Giorgio Mondadori and Cairo Publishing);
- TV (La7, La7d) and Internet (La7.it, TG.La7.it) publisher and network operator (Cairo Network);
- multimedia agency for the sale of advertising space (CAIRORCS Media);
- publisher of dailies and magazines (weeklies and monthlies) in Italy and in Spain, through RCS MediaGroup, also active in the organization of major world sporting events, and in newsstand distribution through its subsidiary m-Dis.

The first nine months of 2023 were marked by the continued conflict in Ukraine, with its consequences also in terms of impacts on the economy and trade. This is leading to a state of great uncertainty and a slowdown in anticipated economic growth in relevant markets. The Group has no direct exposure and/or business activities towards the markets affected by the conflict and/or sanctioned entities.

This backdrop fueled in 2022 the growing trend in the costs of various inputs already underway since 2021, affecting the Group's production costs, particularly for paper.

Moreover, in 2023, energy and gas costs, after the strong volatility and increases recorded in 2022, gradually returned to values basically similar to those of late summer 2021; additionally, paper costs have decreased versus 2022 figures, with anticipated positive effects on the income statement, primarily from fourth quarter 2023, also taking account of the turnover time of existing inventory.

The latest figures published by the IMF in October 2023 (in *World Economic Outlook*) estimate an increase in GDP for Italy of 0.7% in both 2023 and 2024, and an increase in GDP for Spain of 2.5% in 2023 and 1.7% in 2024. In Italy, inflation at September shows a YoY change of +5.1% (*ISTAT - FOI index excluding tobacco*). In Spain, the YoY inflation rate stands at 3.5% at September (*INE*).

In Italy, the advertising market in first eight months 2023 (*Nielsen January-August 2023*) was up by 0.7% versus the same period of 2022, with online (excluding search, social media and over the top) and TV up by 4.3% and 0.3%. Newspapers and magazines were down by 5% and 2.7%.

In first nine months 2023, the Spanish advertising sales market grew by 2.4% versus the same period of 2022 (*i2p, Arce Media*). Specifically, the newspaper market fell by 0.4%, while Internet (excluding social media, search, etc.), radio, and magazines were up by 5.2%, 4.9%, and 2.0%.

Economic uncertainty and the general scenario also hit daily newspaper and magazine sales figures. On the circulation front, in first nine months 2023, generalist newspapers in Italy recorded a 4.1% decline in print and digital circulation, while sports newspapers recorded a 34.5% increase in print and digital circulation (*ADS January-September 2023*), thanks mainly to the performance of digital copies. In Spain, in first nine months 2023, circulation figures show a decline for generalist newspapers (-9.8%), sports newspapers (-12.8%) and business newspapers (-4.9%) (*OJD*).



In first nine months 2023, in a context still marked by uncertainty due to the conflict in Ukraine:

- **the Group** increased its margins (EBITDA, EBIT, and net profit) versus the results in the same period of 2022;
- **RCS** too increased its margins (EBITDA, EBIT, and net profit) versus the results in the same period of 2022, generated positive cash flows in the third quarter, improving its net financial position by Euro 24.2 million versus 30 June 2023, confirmed remarkable circulation levels at newsstands, and continued to grow in the digital field, ranking also in first nine months 2023 as the top online publisher in Italy with an aggregate figure of 31.6 million average monthly unique users (net of duplications - *Audicom*). At end September, the total active digital customer base (digital edition, membership and m-site) of *Corriere della Sera* reached 556 thousand subscriptions (508 thousand at end 2022 - Internal Source), while the customer base of *Gazzetta's* pay products (*G ALL*, *G+*, *GPRO* and *Fantacampionato*) reached 211 thousand subscriptions (171 thousand at end 2022 - Internal Source). Digital subscriptions grew in Spain too, reaching at end September 2023 129 thousand subscriptions for *El Mundo* (101 thousand at end 2022 - Internal Source) and 74 thousand subscriptions for *Expansión* (51 thousand at end 2022 - Internal Source), topping 200 thousand subscriptions;
- the **TV publishing (La7) and network operator segment** achieved high ratings of the La7 channel (3.3% in the all-day share and 4.6% in prime time). Advertising sales on La7 and La7d channels totaled approximately Euro 98.9 million (Euro 99.5 million in first nine months 2022). Specifically, in the nine months La7 was the sixth channel in prime time ratings and in October the fifth with a 5.7% share;
- the results in the nine months of the **magazine publishing segment Cairo Editore** were higher than in first nine months 2022.

In first nine months 2023, consolidated gross revenue amounted to approximately Euro 828.2 million (comprising gross operating revenue of Euro 798.7 million and other revenue and income of Euro 29.5 million) versus Euro 842.1 million in the same period of 2022 (comprising gross operating revenue of Euro 811.5 million and other revenue and income of Euro 30.5 million).

EBITDA and EBIT came to Euro 93.9 million and Euro 33.9 million (Euro 81.5 million and Euro 25.3 million in the same period of the prior year). Mention should be made that the Group's seasonality factors generally impact on the results of the first and third quarters of the year. Net non-recurring expense came to Euro -0.6 million (Euro 11.9 million in the same period of 2022, including Euro 10 million in expense from the settlement of the litigation over the Via Solferino/San Marco/Balzan property complex).



Profit attributable to the owners of the parent came to approximately Euro 10.8 million (Euro 8.3 million in first nine months 2022).

Looking at the business segments, in first nine months 2023:

- in the **magazine publishing segment (Cairo Editore)**, EBITDA and EBIT came to Euro 4 million and Euro 2.8 million (Euro 3 million and Euro 1.4 million in first nine months 2022). Regarding weeklies, with approximately 1 million average copies sold in the period January-September 2023 (*ADS*), Cairo Editore retains its position as the leading publisher in copies of weeklies sold at newsstands, with an approximately 30% market share. Including the average sales of titles out of the *ADS* survey (comprising copies sold of “*Enigmistica Più*” and of “*Enigmistica Mia*”), average copies sold were approximately 1.1 million;
- in the **TV publishing (La7) and network operator segment**, EBITDA grew to reach approximately Euro 4 million (Euro 2.4 million in first nine months 2022). EBIT was approximately Euro -9.1 million (Euro -9.1 million in first nine months 2022). Mention should be made that the TV publishing segment’s seasonality factors generally impact on the results of the first and third quarters of the year;
- in the **advertising segment**, EBITDA came to Euro 0.4 million (Euro 1.9 million in first nine months 2022) and EBIT to Euro -1.4 million (Euro 0.4 million in first nine months 2022);
- in the **RCS segment**, in the consolidated financial statements of Cairo Communication, EBITDA¹ and EBIT amounted to Euro 85.5 million and Euro 41.6 million (Euro 74.1 million and Euro 32.5 million in the same period of the prior year). Mention should be made that RCS’s seasonality factors generally impact on the results of the first and third quarters of the year. Net operating revenue amounted to Euro 605.2 million, with total digital revenue (Italy and Spain) amounting to approximately Euro 148.6 million and accounting for approximately 24.5% of total revenue. Total advertising sales from RCS online media amounted to Euro 99.1 million in first nine months 2023, making for 41.3% of total advertising revenue. Both Italian newspapers, *Corriere della Sera* and *La Gazzetta dello Sport*, and in Spain *Marca* and *Expansión*, retained their circulation leadership in their respective market segments (*ADS* for Italy and *OJD* for Spain). *La Gazzetta dello Sport*, with the Audipress 2023/II survey, retained its position as the most-read Italian newspaper with a readership of 2,035,000. EGM's June 2023 “*General Media Research*” survey confirms Unidad Editorial as the leader in Spanish print media, with almost 1.6 million overall daily readers of its three daily newspapers. The main digital performance indicators confirm the top market position of RCS, with the *Corriere della Sera* and *La Gazzetta dello Sport* brands, which counted, in the period January-September 2023, 30.1 million and 18.4 million average monthly unique users, and 3.8 million and

¹ Mention should be made that RCS adopts a different definition of EBITDA from the one used by the Cairo Communication Group, as indicated in the section below “Alternative Performance Measures”. As a result of these differences, which lie in the provisions for risks and in the allowance for impairment, amounting to a total of Euro 3.5 million in first nine months 2023 - EBITDA shown in the RCS Interim Management Statement at 30 September 2023, approved on 10 November 2023, amounted to Euro 82.1 million.



2.6 million average daily unique users (*Audicom*). The main social accounts of the *Corriere System* at 30 September 2023 reached approximately 12.2 million total followers (considering *Facebook*, *Instagram*, *X*, *LinkedIn* and *TikTok* - Internal Source) and those of *La Gazzetta dello Sport* 5.9 million (considering *Facebook*, *Instagram*, *X* and *TikTok* - Internal Source). In Spain, as part of the online activities, in first nine months 2023 *elmundo.es*, *marca.com* and *expansión.com* reached 44.7 million, 94.2 million and 9.4 million average monthly unique browsers, comprising both domestic and foreign browsers and including apps (*Google Analytics*). The social audience of Unidad Editorial Group titles (Internal Source) stands at 10.5 million followers for *El Mundo*, 18.5 million for *Marca* and 2.4 million for *Telva* (considering *Facebook*, *Instagram* and *X*) and 1.4 million for *Expansión* (considering *Facebook*, *Instagram*, *X* and *LinkedIn*).

In first nine months 2023, La7's average share was 3.3% in all-day and 4.6% in prime time (from 20:30 to 22:30), confirming a high-quality target audience. Specifically, in the nine months La7 was the sixth channel in prime time ratings and in October the fifth with a 5.7% share. In the morning slots too (7:00/12:00), La7 achieved a 3.5% share in the nine months, claiming the fifth position in the national ranking. La7's share in first nine months 2023 was 0.5% in both all-day and prime time. The channel's news and discussion programmes in first nine months 2023 all continued to deliver remarkable results: *Otto e Mezzo* with 7% average share from Monday to Friday, *TgLa7 8 p.m.* edition with 5.8% from Monday to Friday, *diMartedì* with 6.4%, *Piazzapulita* with 5.2%, *Propaganda Live* with 5.7%, *In Viaggio con Barbero* with 5.5%, *In Altre Parole* with 6.1%, *In Onda* with 4.5%, *Omnibus La7* with 3.7%, *Coffee Break* with 3.8%, *L'Aria che tira* with 4.6%, and *Tagadà* with 3.4%.

In first nine months 2023, La7 confirmed its leadership among generalist TV stations in terms of news hours (over 3,445 hours in the period) and was the second channel in terms of live hours (2,760 in the first nine months of the year).

On the digital front, in first nine months 2023, average monthly unique users were 9.3 million and daily unique users were 734 thousand. Stream views were 30 million per month. In the nine months, average unique browsers of *Tg.La7.it* (2.1 million) grew by 370% versus the same period of 2022. At end September, followers of La7 and its active programmes on Facebook, X, Instagram and TikTok total 6.7 million.



The main **consolidated income statement figures** in first nine months 2023 can be compared as follows with those of the same period of 2022:

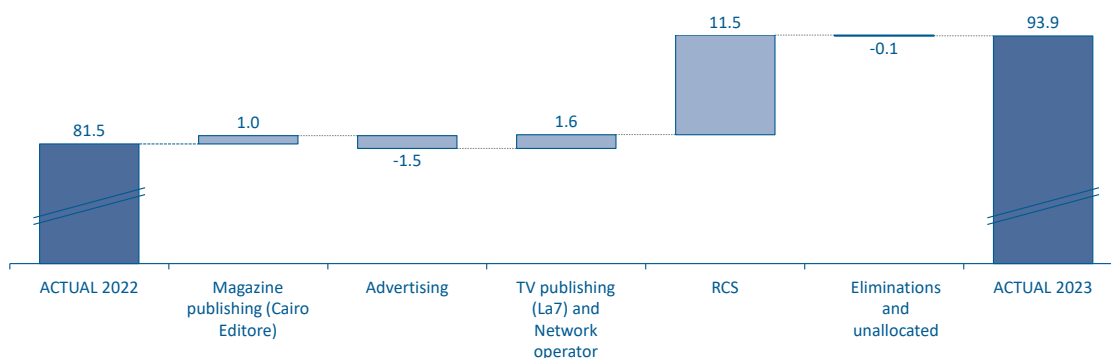
(€ millions)	30/09/2023	30/09/2022
Gross operating revenue	798.7	811.5
Advertising agency discounts	(40.6)	(41.4)
Net operating revenue	758.1	770.1
Change in inventory	0.8	2.5
Other revenue and income	29.5	30.5
Total revenue	788.4	803.1
Production costs	(453.5)	(474.6)
Personnel expense	(240.3)	(235.2)
Non-recurring income (expense)	(0.6)	(11.9)
EBITDA	93.9	81.5
Amortization, depreciation, provisions and write-downs	(60.0)	(56.1)
EBIT	33.9	25.3
Other gains (losses) from financial assets/liabilities	1.2	(0.1)
Net financial income	(9.3)	(6.4)
Profit (loss) before tax	25.9	18.8
Income tax	(4.3)	(1.1)
Non-controlling interests	(10.8)	(9.4)
Profit (loss) attributable to the owners of the parent	10.8	8.3

In first nine months 2023, consolidated gross revenue amounted to approximately Euro 828.2 million (comprising gross operating revenue of Euro 798.7 million and other revenue and income of Euro 29.5 million) versus Euro 842.1 million in the same period of 2022 (comprising gross operating revenue of Euro 811.5 million and other revenue and income of Euro 30.5 million).

EBITDA and EBIT came to Euro 93.9 million and Euro 33.9 million (Euro 81.5 million and Euro 25.3 million in the same period of the prior year). Mention should be made that the Group's seasonality factors generally impact on the results of the first and third quarters of the year. Net non-recurring expense came to Euro -0.6 million (Euro 11.9 million in the same period of 2022, including Euro 10 million in expense from the settlement of the litigation over the Via Solferino/San Marco/Balzan property complex).



The **EBITDA** trend between first nine months 2022 and first nine months 2023 is shown below:



Profit attributable to the owners of the parent came to approximately Euro 10.8 million (Euro 8.3 million in first nine months 2022).

The Group **statement of comprehensive income** can be analyzed as follows:

€ millions	30 September 2023	30 September 2022
Profit (loss) for the year	21.6	17.6
<i>Reclassifiable items of the comprehensive income statement</i>		
Gains (losses) from the translation of financial statements denominated in foreign currencies	-	-
Gains (losses) from cash flow hedges	-	1.4
Reclassification of gains (losses) from cash flow hedges	(0.4)	0.3
Tax effect	0.1	(0.3)
<i>Non-reclassifiable items of the comprehensive income statement</i>		
Gains (losses) from the fair value measurement of equity instruments	(0.7)	-
Actuarial gains (losses) from defined benefit plans	0.2	0.8
Tax effect	(0.0)	(0.2)
Total comprehensive income for the period	20.7	19.6
- Owners of the parent	10.2	10.8
- Non-controlling interests	10.5	8.9
	20.7	19.6

The Group's performance can be read better by analyzing the results of first nine months 2023 by **main business segment** (magazine publishing Cairo Editore, advertising, TV publishing La7 and network operator, and RCS) versus those of the same period of 2022.



2023	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	58.0	262.5	77.8	629.7	(229.2)	798.7
Advertising agency discounts	-	(33.7)	-	(24.5)	17.5	(40.6)
Net operating revenue	58.0	228.8	77.8	605.2	(211.7)	758.1
Change in inventory	(0.0)	-	-	0.8	-	0.8
Other revenue and income	6.0	4.0	0.5	23.4	(4.3)	29.5
Total revenue	64.0	232.8	78.3	629.3	(216.0)	788.4
Production costs	(48.0)	(214.4)	(46.1)	(361.2)	216.1	(453.5)
Personnel expense	(12.0)	(18.0)	(28.2)	(182.0)	(0.1)	(240.3)
Non-recurring income (expense)	-	-	-	(0.6)	-	(0.6)
EBITDA	4.0	0.4	4.0	85.5	(0.0)	93.9
Amortization, depreciation, provisions and write-downs	(1.1)	(1.8)	(13.1)	(44.0)	0.0	(60.0)
EBIT	2.8	(1.4)	(9.1)	41.6	(0.0)	33.9
Other gains (losses) from financial assets/liabilities	-	-	-	1.2	-	1.2
Net financial income	(0.0)	(0.4)	(0.0)	(8.9)	(0.0)	(9.3)
Profit (loss) before tax	2.8	(1.7)	(9.1)	33.9	(0.0)	25.9
Income tax	(0.0)	0.0	2.2	(6.4)	(0.0)	(4.3)
Non-controlling interests	-	0.2	-	(11.1)	0.0	(10.8)
Profit (loss) for the period attributable to the owners of the parent	2.8	(1.5)	(6.9)	16.4	(0.0)	10.8
2022	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	58.9	265.8	76.5	645.3	(234.9)	811.5
Advertising agency discounts	-	(34.2)	-	(25.1)	17.9	(41.4)
Net operating revenue	58.9	231.6	76.5	620.2	(217.0)	770.1
Change in inventory	0.0	-	-	2.5	-	2.5
Other revenue and income	5.1	4.8	2.3	22.0	(3.7)	30.5
Total revenue	64.0	236.3	78.8	644.7	(220.8)	803.1
Production costs	(48.7)	(216.7)	(48.6)	(381.6)	220.9	(474.6)
Personnel expense	(12.4)	(17.7)	(27.9)	(177.2)	(0.1)	(235.2)
Non-recurring income (expense)	-	-	-	(11.9)	-	(11.9)
EBITDA	3.0	1.9	2.4	74.1	0.1	81.5
Amortization, depreciation, provisions and write-downs	(1.5)	(1.5)	(11.5)	(41.5)	0.0	(56.1)
EBIT	1.4	0.4	(9.1)	32.5	0.1	25.3
Other gains (losses) from financial assets/liabilities	-	-	-	(0.1)	-	(0.1)
Net financial income	(0.1)	(0.3)	(0.4)	(5.7)	(0.0)	(6.4)
Profit (loss) before tax	1.4	0.1	(9.5)	26.8	0.1	18.8
Income tax	0.4	(0.6)	2.7	(3.7)	(0.0)	(1.1)
Non-controlling interests	-	-	-	(9.4)	(0.0)	(9.4)
Profit (loss) for the period attributable to the owners of the parent	1.8	(0.5)	(6.8)	13.7	0.0	8.3



The main **consolidated statement of financial position** figures at 30 September 2023 can be compared as follows with those at 31 December 2022:

(€ millions)	30/09/2023	31/12/2022
Property, plant and equipment	106.5	110.9
Rights of use on leased assets	134.4	146.4
Intangible assets	987.9	990.2
Financial assets	34.0	36.8
Deferred tax assets	85.5	86.0
Net working capital	(58.6)	(57.8)
<u>Total assets</u>	1,289.7	1,312.5
Non-current liabilities and provisions	96.5	104.7
Deferred tax provision	163.3	163.4
(Financial position)/Net debt	23.3	15.2
Liabilities from lease contracts (pursuant to IFRS 16)	150.5	162.4
Equity attributable to the owners of the parent	516.2	525.0
Equity attributable to non-controlling interests	339.9	341.8
<u>Total equity and liabilities</u>	1,289.7	1,312.5

In 2023, as part of the share buy-back plans, no treasury shares were sold or purchased. At 30 September 2023, Cairo Communication held a total of no. 779 treasury shares, or 0.001% of the share capital, subject to Article 2357-ter of the Italian Civil Code.

It should be noted that:

- the Shareholders' Meeting held by RCS on 8 May 2023 approved the distribution of a dividend of Euro 0.06 per share, gross of tax, with ex-dividend date on 22 May 2023, for a total of approximately Euro 31 million (Euro 18.7 million the share of Cairo Communication),
- the Shareholders' Meeting held by Cairo Communication on 8 May 2023 approved the distribution of a dividend of Euro 0.14 per share, gross of tax, with ex-dividend date on 29 May 2023, for a total of approximately Euro 18.8 million.

The change in net financial debt at Group level as a result of the distribution of dividends was approximately Euro 31.2 million.

The consolidated **net financial debt** at 30 September 2023, versus the consolidated financial statement amounts at 31 December 2022, is summarized in the table below:



Net financial position (€ millions)	30/09/2023	31/12/2022	Changes
Cash and cash equivalents	62.5	54.3	8.2
Other current financial assets and financial receivables	1.0	1.0	-
Current financial assets (liabilities) from derivative instruments	0.4	0.9	(0.5)
Current financial payables	(46.7)	(31.8)	(14.9)
Current net financial position (net financial debt)	17.2	24.3	(7.2)
Non-current financial payables	(40.4)	(40.0)	(0.5)
Non-current financial assets (liabilities) from derivative instruments	-	0.4	(0.4)
Non-current net financial position (net financial debt)	(40.4)	(39.6)	(0.9)
Net financial position (net financial debt)	(23.3)	(15.2)	(8.1)
Liabilities from lease contracts (pursuant to IFRS 16)	(150.5)	(162.4)	11.9
Total net financial position (net financial debt)	(173.7)	(177.6)	3.9

Consolidated **net financial debt** at 30 September 2023 stood at approximately Euro 23.3 million (Euro 15.2 million at end 2022). The change versus 2022 is explained mostly by the outlays for dividend payout of approximately Euro 31.2 million and for technical expenditure of approximately Euro 28.7 million, offset by the positive contribution of ordinary operations, affected by the current timing of collecting tax credits granted to the publishing industry (at 30 September 2023, the outstanding credit of approximately Euro 28 million refers also to 2021 and 2022), and by the dynamics of working capital. The Group generated positive cash flows in the third quarter, improving the net financial debt by Euro 23.7 million versus 30 June 2023 (Euro -47 million). At end September, the net financial debt of RCS stood at Euro 45.2 million (Euro 31.6 million at end 2022).

Total net financial debt, which includes financial liabilities from leases recognized in accordance with IFRS 16 (mainly property leases) of Euro 150.5 million, amounted to Euro 173.7 million (Euro 177.6 million at 31 December 2022).

4. Revenue trend and performance of the main business segments

Gross operating revenue in first nine months 2023, split up by main business segment, can be analyzed as follows versus the amounts of the same period of 2022:



2023	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
TV advertising	-	98.9	67.1	0.1	(67.8)	98.4
Advertising on print media, Internet and sporting events	5.6	161.2	1.8	264.0	(152.5)	280.2
Other TV revenue	-	-	1.7	2.1	(0.2)	3.7
Magazine over-the-counter sales and subscriptions	53.3	-	-	252.0	(1.6)	303.7
VAT relating to publications	(0.9)	-	-	(2.5)	-	(3.4)
Sundry revenue	-	2.3	7.1	113.8	(7.2)	116.1
Total gross operating revenue	58.0	262.5	77.8	629.7	(229.2)	798.7
Other revenue	6.0	4.0	0.5	23.4	(4.3)	29.5
Total gross revenue	64.0	266.5	78.3	653.0	(233.6)	828.2
2022	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and	Total
(€ millions)						
TV advertising	-	100.0	67.8	0.1	(68.9)	99.0
Advertising on print media, Internet and sporting events	6.1	163.4	1.5	263.0	(156.4)	277.6
Other TV revenue	-	-	1.2	2.0	(0.2)	3.1
Magazine over-the-counter sales and subscriptions	53.7	-	-	271.3	(1.8)	323.2
VAT relating to publications	(0.9)	-	-	(1.8)	-	(2.7)
Sundry revenue	-	2.4	6.0	110.6	(7.6)	111.3
Total gross operating revenue	58.9	265.8	76.5	645.3	(234.9)	811.5
Other revenue	5.1	4.8	2.3	22.0	(3.7)	30.5
Total gross revenue	64.0	270.6	78.8	667.3	(238.7)	842.1

MAGAZINE PUBLISHING CAIRO EDITORE

Cairo Editore - Cairo Publishing

Cairo Editore operates in the magazine publishing segment through (i) the weeklies “*Settimanale DIPIU’*”, “*DIPIU’ TV*” and the supplements “*Settimanale DIPIU’ e DIPIU’TV Cucina e Stellare*”, “*Diva e Donna*”, the fortnightly supplement “*Cucina Mia*”, “*TV Mia*”, “*Nuovo*”, “*F*”, “*Settimanale Giallo*” “*NuovoTV*”, “*Enigmistica Più*” and “*Enigmistica Mia*”, (ii) the monthly magazines “*For Men Magazine*”, “*Natural Style*”, “*Bell’Italia*”, “*Bell’Europa*”, “*In Viaggio*”, “*Airone*”, “*Gardenia*”, “*Arte*” and “*Antiquariato*”.

In first nine months 2023, in a context still marked by uncertainty due to the war in Ukraine, Cairo Editore improved its results versus the same period of 2022.

EBITDA and EBIT came to approximately Euro 4 million and approximately Euro 2.8 million (Euro 3 million and Euro 1.4 million in first nine months 2022).

The Group weeklies reported high circulation results, with an average ADS weekly circulation in the January-September period of 2023 of 288,598 copies for “*Settimanale DIPIU’*”, 131,942 copies for “*DIPIU’ TV*”, 39,293 copies for “*Settimanale DIPIU’ e DIPIU’TV Cucina*”, 96,692 copies for “*Diva e Donna*”, 151,983 copies for “*Settimanale Nuovo*”, 71,382 copies for “*F*”, 58,850 copies for “*TVMia*”, 47,430 copies for “*Settimanale Giallo*”, and 69,160 copies for “*NuovoTV*”, reaching a total of approximately 1 million average weekly copies sold, and making the Group the leading publisher in copies of weeklies sold at newsstands, with an approximately 30% market share. Including the average sales of titles out of the ADS survey (comprising copies sold of “*Enigmistica Più*” and of



“*Enigmistica Mia*”), average copies sold were approximately 1.1 million.

Cairo Editore’s activities continued to focus also on enhancing the value of editorial content, developing existing brands, and launching new projects.

Below are some of the main initiatives implemented in first nine months 2023:

- in March *Gardenia*'s Instagram account topped 200 thousand followers, in July *For Men*'s 50 thousand, and in September *Bell'Italia*'s 250 thousand;
- in April, *Gardenia* launched on newsstands the Royal Horticultural Society's "*How to garden*" guide, translated and published for the first time in Italy;
- in June, two events organized by the *Bell'Italia* magazine were held in Sardinia (Cagliari, Alghero), backed by a special issue of "*Bell'Italia Sardegna*";
- 11 June saw the comeback on La7 of the third season of "*Bell'Italia. In Viaggio*";
- 27 June saw the "*Face to Face*" event, the new editorial project of the magazine *F*, held in the square of the Lombardy Region in Milan.

ADVERTISING

With regard to the advertising segment, at end 2020 Cairo Communication and RCS transferred in a newly-established investee held on an equal basis - CAIRORCS Media S.p.A. - the advertising sales business units for RCS's print and online titles in Italy and the print, television and online titles of Cairo Editore and La7, as well as certain third-party media.

In first nine months 2023, EBITDA came to Euro 0.4 million and EBIT to Euro -1.4 million (Euro 1.9 million and Euro 0.4 million in first nine months 2022).

In first nine months 2023:

- advertising sales on La7 and La7d channels totaled approximately Euro 98.9 million (Euro 99.5 million in first nine months 2022),
- advertising sales on Cairo Editore titles amounted to Euro 7.2 million (Euro 7.9 million in first nine months 2022),
- gross advertising revenue of RCS titles in Italy amounted to Euro 144.2 million (Euro 147.7 million in first nine months 2022).

TV PUBLISHING (La7) AND NETWORK OPERATOR

The Group started operations in the TV field in 2013, following acquisition from Telecom Italia Media S.p.A. of the entire share capital of La7 S.r.l. (today La7 S.p.A.) as of 30 April 2013, with the upstream integration of its concessionaire business for the sale of advertising space, diversifying its publishing activities previously focused on magazines.

At the acquisition date, the financial situation of La7 had called for the implementation of a restructuring plan aimed at reorganizing and streamlining the corporate structure and at curbing costs, while retaining the high quality levels of the programming. Starting from May 2013, the Group began



to implement its own plan, achieving, as early as the May-December eight-month period of 2013, a positive EBITDA, strengthening in the years that followed the results of the cost rationalization measures implemented.

With regard to the network operator business, in 2014, the Group company Cairo Network took part in the tender procedure opened by the Ministry of Economic Development for the assignment of rights to use TV frequencies for digital terrestrial broadcasting systems, winning the rights of use for a period of 20 years. The mux covers at least 94% of the national population, providing high-quality service levels.

January 2017 marked the start of the broadcasting of La7 channels on the mux. It also currently hosts Dazn Channel, some of Elda Srl's "Italy" and "Art" channels, and some of GMH's channels.

In first nine months 2023, the TV publishing (La7) and network operator segment increased EBITDA to approximately Euro 4 million (Euro 2.4 million in first nine months 2022) and achieved EBIT of approximately Euro -9.1 million (Euro -9.1 million in first nine months 2022). Mention should be made that the TV publishing segment's seasonality factors generally impact on the results of the first and third quarters of the year.

In first nine months 2023, La7's average share was 3.3% in all-day and 4.6% in prime time (from 20:30 to 22:30), confirming a high-quality target audience. Specifically, in the nine months La7 was the sixth channel in prime time ratings and in October the fifth with a 5.7% share. In the morning slots too (7:00/12:00), La7 achieved a 3.5% share in the nine months, claiming the fifth position in the national ranking. La7d's share in first nine months 2023 was 0.5% in both all-day and prime time. The channel's news and discussion programmes in first nine months 2023 all continued to deliver remarkable results: *Otto e Mezzo* with 7% average share from Monday to Friday, *TgLa7 8 p.m. edition* with 5.8% from Monday to Friday, *diMartedì* with 6.4%, *Piazzapulita* with 5.2%, *Propaganda Live* with 5.7%, *In Viaggio con Barbero* with 5.5%, *In Altre Parole* with 6.1%, *In Onda* with 4.5%, *Omnibus La7* with 3.7%, *Coffee Break* with 3.8%, *L'Aria che tira* with 4.6%, and *Tagadà* with 3.4%.

In first nine months 2023, La7 confirmed its leadership among generalist TV stations in terms of news hours (over 3,445 hours in the period) and was the second channel in terms of live hours (2,760 in the first nine months of the year).

On the digital front, in first nine months 2023, average monthly unique users were 9.3 million and daily unique users were 734 thousand. Stream views were 30 million per month. In the nine months, average unique browsers of Tg.La7.it (2.1 million) grew by 370% versus the same period of 2022. At end September, followers of La7 and its active programmes on Facebook, X, Instagram and TikTok total 6.7 million.



RCS

In 2016, the Group started operations in the daily newspaper publishing segment with the acquisition of the control of RCS.

RCS, both directly and indirectly through its subsidiaries, publishes and distributes - in Italy and Spain - daily newspapers and magazines (weeklies and monthlies), and is also involved in the distribution of editorial products at newsstands.

Specifically, in Italy RCS publishes the dailies *Corriere della Sera* and *La Gazzetta dello Sport*, as well as various weeklies and monthlies such as *Io Donna*, *Oggi*, *Amica*, *Living*, *Style Magazine*, *Sportweek*, *Sette*, *Dove* and *Abitare*.

In Spain, it operates through its subsidiary Unidad Editorial S.A., publisher of the dailies *El Mundo*, *Marca* and *Expansion*, as well as several magazines such as *Telva*.

RCS is also marginally active in the Pay TV market in Italy, through the satellite and OTT TV channel *Caccia e Pesca* and also publishes the web TVs of *Corriere della Sera* and *La Gazzetta dello Sport*.

In Spain, it is active with the leading national sports radio *Radio Marca* and the web TV of *El Mundo*, and broadcasts the two digital TV channels *GOL* and *Dmax*, whose content is produced by third parties.

RCS also organizes, through RCS Sport and RCS Sports & Events, major world sporting events (such as *Giro d'Italia*, the *UAE Tour* and the *Milano City Marathon*).

With *Solferino - i libri del Corriere della Sera*, it is active in book publishing; June 2020, instead, saw the start of activities of *RCS Academy*, the Business School of the Group.

RCS generated negative results prior to 2016, and has embarked on an operational restructuring process to restore profitability. In 2016, profit had amounted to Euro 3.5 million,² marking a return to positive territory by the RCS Group (the first time since 2010), and in 2017², 2018² 2019² 2020² 2021² and 2022² the net result had amounted to Euro 71.1 million, Euro 85.2 million, Euro 68.5 million, Euro 31.7 million, Euro 72.4 million and Euro 50.1 million.

In first nine months 2023, against a backdrop still dominated by the uncertainty caused by the conflict in Ukraine, RCS achieved - in the consolidated financial statements of Cairo Communication - an EBITDA of approximately Euro 85.5 million³ and an EBIT of Euro 41.6 million (Euro 74.1 million and Euro 32.5 million in first nine months 2022). Mention should be made that RCS's seasonality factors generally impact on the results of the first and third quarters of the year. Net non-recurring expense and income came to Euro -0.6 million (Euro 11.9 million in first nine months 2022, including Euro 10 million in expense from the settlement of the litigation over the Via Solferino/San

² RCS 2017, 2018, 2019, 2020, 2021 and 2022 Annual Report

³ Mention should be made that RCS adopts a different definition of EBITDA from the one used by the Cairo Communication Group, as indicated in the section below "Alternative Performance Measures". As a result of these differences, which lie in the provisions for risks and in the allowance for impairment, amounting to a total of Euro 3.5 million in first nine months 2023 - EBITDA shown in the RCS Interim Management Statement at 30 September 2023, approved on 10 November 2023, amounted to Euro 82.1 million.



Marco/Balzan property complex).

In first nine months 2023, consolidated net operating revenue generated by RCS amounted to approximately Euro 605.2 million (Euro 620.2 million in first nine months 2022). RCS digital revenue (Italy and Spain), which amounted to approximately Euro 148.6 million, accounted for approximately 24.5% of total revenue. Total advertising sales from RCS online media amounted to Euro 99.1 million in first nine months 2023, making for 41.3% of total advertising revenue.

Both Italian newspapers retained their circulation leadership in their respective market segments at September 2023 (ADS). In Italy, in first nine months 2023, the average daily copies distributed including digital copies of *Corriere della Sera* amounted to 249 thousand, and those of *La Gazzetta dello Sport* to 172 thousand copies (ADS January-September 2023). *La Gazzetta dello Sport*, with the Audipress 2023/II survey, retained its position as the most-read Italian newspaper with a readership of 2,035,000. *Corriere della Sera* was able to achieve the excellent newsstand circulation results and, most importantly, to continue the growth in digital development. Regarding the comparison with the market, the circulation performance of *Corriere della Sera* (-4.7%) is broadly in line with the -4.1% of the generalist newspaper market. *Gazzetta dello Sport* increased by 56.1%, driven by the performance of digital copies versus the +34.5% increase in the sports newspaper market (ADS January-September 2023).

At end September 2023, the total active digital customer base for *Corriere della Sera* (digital edition, membership and m-site) reached 556 thousand subscriptions (508 thousand at end 2022 - Internal Source), while the customer base of *Gazzetta's* pay products (which includes *G ALL*, *G+*, *GPRO* and *Fantacampionato* products) reached 211 thousand subscriptions (171 thousand at end 2022 - Internal Source).

The main digital performance indicators confirm the top market position of RCS. The *Corriere della Sera* and *La Gazzetta dello Sport* brands, in the period January-September 2023, counted 30.1 million and 18.4 million average monthly unique users, and 3.8 million and 2.6 million average daily unique users (Audicom). In first nine months 2023 too, RCS ranks as the top online publisher in Italy with an aggregate figure of 31.6 million average monthly unique users (net of duplications - Audicom).

The main social accounts of the *Corriere System* at 30 September 2023 reached approximately 12.2 million total followers (considering *Facebook*, *Instagram*, *X*, *LinkedIn* and *TikTok* - Internal Source) and those of *La Gazzetta dello Sport* 5.9 million (considering *Facebook*, *Instagram*, *X* and *TikTok* - Internal Source).

Including digital copies, in first nine months 2023, the average daily circulation of *El Mundo*, *Marca* and *Expansión* stood at approximately 56 thousand copies, approximately 53 thousand copies and approximately 23 thousand copies (OJD). The latter two newspapers retained their circulation leadership in their respective market segments also at September 2023 (OJD). EGM's June 2023 "General Media Research" survey confirms Unidad Editorial as the leader in Spanish daily print media, with almost 1.6 million overall daily readers of its three daily newspapers.



In Spain as well, the main digital performance indicators confirm Unidad Editorial's top market position, with *elmundo.es*, *marca.com* and *expansión.com* reaching 44.7 million, 94.2 million and 9.4 million average monthly unique browsers in first nine months 2023, comprising both domestic and foreign browsers and including apps (*Google Analytics*). The social audience of Unidad Editorial Group titles (Internal Source) stands at 10.5 million followers for *El Mundo*, 18.5 million for *Marca* and 2.4 million for *Telva* (considering *Facebook*, *Instagram* and *X*) and 1.4 million for *Expansión* (considering *Facebook*, *Instagram*, *X* and *LinkedIn*).

In Spain, at end September 2023, digital subscriptions grew to approximately 129 thousand subscriptions for *elmundo.es* (101 thousand at end 2022 - Internal Source) and approximately 74 thousand subscriptions for *expansion.com* (51 thousand at end 2022 - Internal Source), thus topping 200 thousand subscriptions.

At 30 September 2023, net financial debt stood at Euro 45.2 million (Euro 31.6 million at 31 December 2022). The change is explained mostly by the outlays for dividend payout of approximately Euro 31 million and for technical expenditure, and by non-recurring expense of approximately Euro 19 million, partly offset by the positive contribution of ordinary operations for approximately Euro 34 million, affected in the nine months by the current timing of collecting tax credits granted to the publishing industry (at 30 September 2023, the outstanding credit of approximately Euro 20.3 million refers also to 2021 and 2022), and by the dynamics of working capital. RCS generated positive cash flows in the third quarter, improving its net financial debt by Euro 24.2 million versus 30 June 2023 (Euro 69.4 million net financial debt at 30 June 2023).

The total net financial debt of RCS, which includes financial liabilities from leases recognized in accordance with IFRS 16, totaling Euro 132.3 million (mainly property leases), amounted to Euro 177.5 million (Euro 174.4 million at 31 December 2022).

RCS's activities continued to focus also on enhancing the value of editorial content, developing existing brands, and launching new projects.

Below are some of the main initiatives implemented in Italy in first nine months 2023:

- February saw the launch of the new *Stile Gazzetta* section on *Gazzetta.it*;
- on 5 March, the first 2023 issue of *La Lettura per ragazze e ragazzi* hit newsstands;
- 9-10 March saw the second edition of *Obiettivo5*, the event dedicated to gender equality issues;
- on 31 March, “*Italia Genera Futuro*” was held at Palazzo Mezzanotte in Milan;
- *Corriere della Sera* and *La Gazzetta dello Sport* continued their efforts on the series, books and add-ons front;
- on 17 April, the second edition of the *Bilanci di Sostenibilità Award* was held;
- for the *Milan Design Week* from 17 to 23 April, the headquarters of the *Corriere della Sera* were open to the public with a tour through the installation *Solferino 28 Elevators*, crafted by the Migliore-Servetto design studio, an initiative organized together with the furnishing publications *Living* and *Abitare*;



- in April, for the *Corriere della Sera* local edition extension plan, the editions in Trento and Salerno were opened, followed in July by the Monza and province edition;
- in the *Corriere della Sera* digital subscriptions area, exclusive and dedicated live events were organized for *Corriere's* digital subscribers, and the new *Corriere Family* product was also launched;
- the podcast catalogue (*Cinema Eros, Diabolica - La coppia dell'acido, Geni invisibili e Essere grandi*) and the newsletter catalogue (*Diario Politico, One more thing and the Bergamo and Brescia newsletters*) were both enriched;
- in 2023, efforts continued in improving the graphics of G+ content, the premium section of *Gazzetta.it*, through the launch of new interactive specials and in-depth features;
- *La Gazzetta dello Sport* and its supplements covered and delved into the various sports events of first nine months 2023, with several issues of *Grande Gazzetta, G magazine, Sportweek* specials, and instalments;
- second quarter 2023 saw the launch of *Il Ciclista*: the new subscription-based digital section of *Gazzetta.it* dedicated to recreational cyclists;
- *La Gazzetta dello Sport* 's new *Twitch* channel (with over 7 million cumulative video views since its opening) established itself among the top channels in Italy. In April, *Gazzetta Motori* launched its own channel on *YouTube*;
- *Gazzetta.it* 's online game offerings were enriched with the "*Mr. Palleggio*" skill game, and the quiz "*Questo o Quello*". The *Fantacampionato* competition (which topped 50,000 subscribers) too introduced new games: *Fantamarket, Fanta5* and *FantaDuello*;
- on 4-7 May, the fifth edition of "*Civil Week*" was held;
- on 16-18 May, the second edition of the *Tech Emotion* event was held at Palazzo Mezzanotte;
- on 26-28 May, the Festival *Cibo a Regola d'arte* was held;
- in first nine months 2023, the *Economia d'Italia* cycle of events continued;
- in May, *La Gazzetta dello Sport*, with the sponsorship of the Municipality of Milan, organized the first edition of *Milano Football Week*;
- on 5 June, *Corriere della Sera* celebrated the World Environment Day, with a green paper edition of the newspaper and an event day;
- in July, *La Gazzetta dello Sport* launched its *Gazzabet* remote gaming site;
- starting from August, with the comeback of the Serie A championship, a *Numbers* section was created on *Gazzetta.it*;
- on 8-10 September, the tenth edition of the *Il Tempo delle Donne* Festival was held. The event reported 32 thousand live attendees and over 9 million streams online and on social networks;
- on 15 September, the first meeting of the Economy publishing system dedicated to Digital Health was held;



- on 23-25 September, the second edition of the *Trento DOC Festival*, organized by the Trento DOC consortium in association with *Corriere della Sera*, was held;
- starting from September, the *corriere.it* website has introduced a feature that allows users to listen to almost all articles, whether from smartphones, computers, or tablets;
- on TikTok, *Corriere della Sera*, with its five profiles, reached a total follower base of over 292 thousand followers and 150 million video views of published content at 30 September 2023. *Corriere's* main *Instagram* accounts topped 2.3 million followers in total.

RCS Academy, the Group's business school, completed in first nine months 2023 the training activities of the full-time master's degree programs launched in autumn 2022 and the related placement of 250 students, offering young students tangible opportunities to enter the job world. In the period between May and September, the first six master's degrees of the 2023-2024 academic calendar were launched, adding in October three full-time postgraduate master's degrees (*Art, Fashion and Luxury* and *Audiovisual Management*) and one part-time master's degree (*Sports Journalism*). Additionally, in 2023, various *Business talks* were held, broadcast live on *Corriere.it*, on the topics of *Economy and Business Sustainability*, *Alternative Energy Sources*, sustainable development of the *Fashion & Made in Italy* Industry, *Retail & Omnichannel Strategy*, *Energy and Sustainability*, *Green Cities and Mobility*, and *Green Governance*.

In first nine months 2023, the Books market surveyed by GFK was up in value by 2.3% versus the same period of 2022, and down in copy volume by 0.6% versus the same period of 2022.

As for the performance of the RCS Group, the *Solferino* brand dropped in volume by 6.5% and in value by 5.6%, due also to a different launch plan from the prior year. The *Cairo* brand reported a downward trend versus the same period of the prior year, affected by the comparison with the remarkable performance of Ibrahimovic's title in 2022. Starting from 3 October 2023, the publishing offer of RCS Group's books area will expand with the addition of "*Fuoriscena*", a new publishing house, an initiative aimed to dedicate space to intervention non-fiction, investigative journalism, and civil narratives addressing contemporary major issues.

For magazines:

- in February, the event organized by *Dove* dedicated to the Veneto region was held in Padua, followed by the event on 13 June "*Viaggiare è rinascere*";
- in February, a new business activity was launched in Italy by the *Childhood Magazines* with the opening in Milan of the first store offering pre-birth 5D images to parents-to-be;
- on 1 March 2023, Luisa Simonetto was appointed Editor-in-Chief of *Amica*, replacing Danda Santini;
- in March, *Io Donna* participated together with *Corriere della Sera* in the *Obiettivo5* event;
- on 10-11 June, the first edition of *Io Donna's* event "*A corpo libero*" was held in the Indro Montanelli Gardens in Milan;



- in September, *Io Donna* was a media partner of the *Milan Beauty Week*.

Below are some of the main initiatives implemented in Spain in first nine months 2023:

- 1 February saw the launch of the new online version of *El Mundo*, featuring major innovations, including technological advancements, to provide readers with an improved reading experience, thanks also to new graphics;
- the graphical layout and organization of the print version of *El Mundo* was also revamped;
- in February, *Diario Medico* received the recognition of "*Premios Semergen 50 Años Contigo*" in the "*Media*" category;
- at end February, *El Mundo* and *La Lectura* participated in the *International Contemporary Art Fair* with an exhibition dedicated to Spanish painter and photographer *Darío Villalba*;
- on 22 March, the *El Mundo online Cooking* platform was launched;
- at end March, Malaga held the annual *Marca Sport Weekend*, which featured various international stars in more than 150 initiatives scattered throughout the city;
- on 30 March, *Telva* began its 60th anniversary celebration with the Zaragoza stop. The cycle continued in second quarter 2023 with a meeting held in Valencia, and in the third with a gala event in Malaga;
- on 22 April, the first *Marca Family & Sports* edition was held;
- in May, Unidad Editorial joined through its media the "*Todos contra el cancer*" initiative promoted by Asociación Española Contra el Cáncer;
- on 10-11 May, the fourth edition of "*El foro económico internacional Expansión*," organized in association with *The European House Ambrosetti*, was held, with the participation of prominent national and international political and economic figures;
- 2 June marked the third *Congreso Internacional de Telva* focused on topical issues of wellness and mental health;
- in June, the *Federación de Gremios de Editores de España* (FGEE) awarded *La Lectura*, the cultural magazine of *El Mundo*, the LIBER 2023 Prize for promoting reading;
- *Marca* strengthened its content offering with the acquisition of the rights to broadcast the main matches of the Arab-Saudi league and the launch of new radio programs dedicated to the NFL (*National Football League*) and the Padel world;
- on 12 September, the new *Sportavatar* project, a platform dedicated to the world of NFTs, tied to *Marca* and launched concurrently in Italy with *Gazzetta dello Sport*, was opened to the public;
- in September, a new version of the *Expansión* app was launched;
- on 27-28 September, the first edition of the new *Expansión Green World & Sustainability* summit was held.



5. Transactions with parents, subsidiaries and associates

The following are identified as related parties:

- the direct and indirect parent entities of Cairo Communication S.p.A., their subsidiaries, associates and affiliates of the Group. The Ultimate Parent of the Group is U.T. Communications S.p.A.;
- directors, statutory auditors, key management personnel and their close relations.

Details are provided in the following tables on related party transactions, broken down by balance sheet heading. Intercompany relations eliminated in the consolidation process are excluded.

Receivables and financial assets (€ millions)	Trade receivables	Receivables from tax consolidation	Other current financial assets
Parents	0.1	-	-
Associates	0.1	-	-
Other affiliates	0.7	-	-
Other related parties	0.2	-	-
Total	1.1	-	-

Payables and financial liabilities (€ millions)	Trade and other payables	Other current financial liabilities	Other non-current financial liabilities
Parents	-	-	-
Associates	11.9	-	-
Other affiliates	1.6	-	-
Other related parties	-	-	-
Total	13.5	-	-

Revenue and costs (€ millions)	Operating revenue	Operating costs	Financial income (expense)
Parents	-	-	-
Associates	0.3	(15.1)	-
Other affiliates	0.2	(3.0)	-
Other related parties	0.6	(0.2)	-
Total	1.0	(18.3)	-

Transactions with associates refer mainly to:

- the associates in the Bermont Group, in respect of which the Group companies that operate in Spain in the printing of newspapers, magazines and other publishing products (Unidad Editorial Group) incurred costs of Euro 14 million in first nine months 2023, and hold trade payables of Euro 11.4 million.



Transactions with affiliates refer mainly to:

- the concession contract between CAIRORCS Media S.p.A. and Torino FC S.p.A. (a subsidiary of U.T. Communications) for the sale of advertising space at the Olimpico football pitch and promotional sponsorship packages. This contract resulted in the payment in first nine months 2023 of Euro 3 million to the concession holder against revenue of Euro 3.6 million net of agency discounts. CAIRORCS Media earned further commissions of Euro 88 thousand;
- the agreement between Cairo Communication S.p.A. and Torino F.C. for the provision of administrative services such as bookkeeping, which provides for an annual consideration of Euro 0.1 million.

Transactions with “other related parties” refer mainly to RCS commercial dealings with the Della Valle group, in respect of which Group companies generated revenue of Euro 0.6 million. Trade receivables amounted to Euro 0.2 million.

Transactions in the year with related parties, including with Group companies, were not considered to be atypical or unusual, and were part of the ordinary activities of Group companies. These transactions were carried out on market terms, taking account of the goods and services provided.

The procedures adopted by the Group for related party transactions, to ensure transparency and substantial and procedural fairness, implemented by the Group, are explained in the 2022 “Report on Corporate Governance and Ownership Structure”.

6. Events occurring after the quarter and business outlook

The first nine months of 2023 were marked by the continued conflict in Ukraine, with its consequences also in terms of impacts on the economy and trade. This is leading to a state of great uncertainty and a slowdown in anticipated economic growth in relevant markets. The Group has no direct exposure and/or business activities towards the markets affected by the conflict and/or sanctioned entities.

This backdrop fueled in 2022 the growing trend in the costs of various inputs already underway since 2021, affecting the Group's production costs, particularly for paper.

Moreover, in 2023, energy and gas costs, after the strong volatility and increases recorded in 2022, gradually returned to values basically similar to those of late summer 2021; additionally, paper costs have decreased versus 2022 figures, with anticipated positive effects on the income statement, primarily from fourth quarter 2023, also taking account of the turnover time of existing inventory.

Starting in October, a conflict situation has arisen in the Middle East following the Hamas attacks on Israeli territory. This situation has the potential to have increasing geopolitical impacts, further adding to the overall environment of uncertainty.

Also during this first part of 2023, the Group met the public's strong need to stay informed through its information offering, ensuring a timely service to its viewers and readers. The *La7* programmes,



the daily editions of *Corriere della Sera* and *La Gazzetta dello Sport* in Italy, and of *El Mundo*, *Marca* and *Expansión* in Spain, the Group's magazines and web and social platforms have played a pivotal role in informing, focusing on their mission as a non-partisan, trustworthy public service, and establishing themselves as authoritative players in daily television, print and online information, with strong television ratings and digital traffic figures.

The developing situation and the potential effects on the business outlook, which are constantly monitored, are unforeseeable at this time as they depend, inter alia, on the evolution, developments and duration of the conflict in Ukraine and the conflict in the Middle East and their geopolitical effects.

In consideration of the actions already implemented and those planned, in the absence of a deterioration of the consequences from the continuation and developments of the conflicts in Ukraine and the Middle East and/or cost dynamics, the Group believes that it can confirm the goal of achieving strongly positive margins (EBITDA) in 2023, up from those achieved in 2022, with further cash generation in the fourth quarter of the year, improving the net financial position at the end of the year compared to end 2022.

Developments in the ongoing conflicts, the overall economic climate and the core segments could, however, affect the full achievement of these targets.

For the Board of Directors
Chairman Urbano Cairo