



Interim Management Statement at 31 March 2024

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

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



Board of Directors (*)

Urbano Cairo (**)	Chairman
Uberto Fornara	CEO
Daniela Bartoli	Director
Valentina Beatrice Manfredi	Director
Laura Maria Cairo	Director
Federico 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

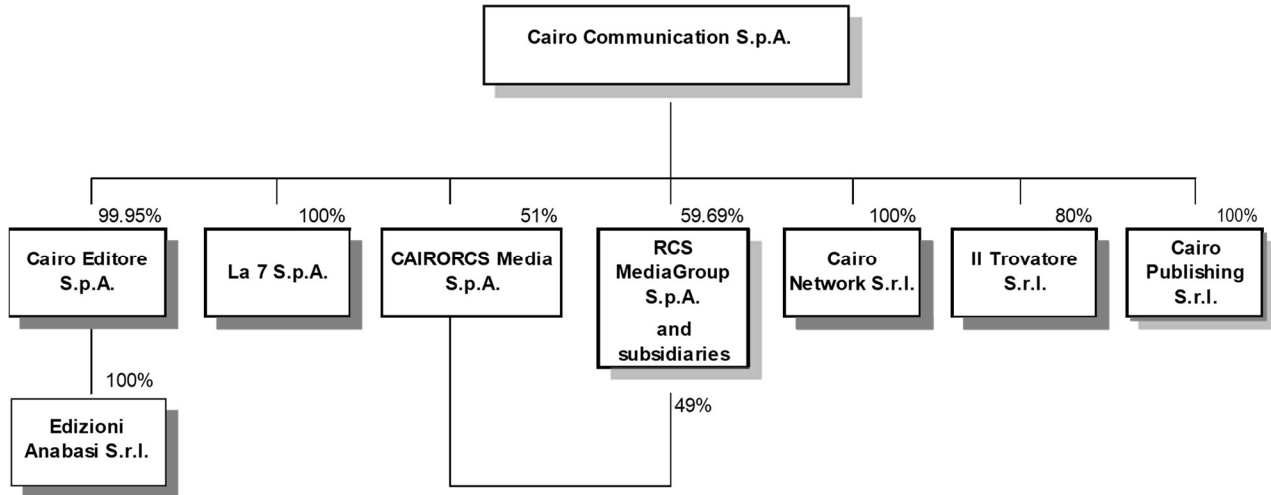
(**) Ordinary and extraordinary executive powers exercised with single signatory, as limited by the Board of Directors

(***) 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 31 March 2024





1. VALUATION PRINCIPLES AND CRITERIA ADOPTED IN PREPARING THE INTERIM MANAGEMENT STATEMENT AT 31 MARCH 2024

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 31 March 2024 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 income statement figures in first quarter 2024 are shown versus first quarter 2023. 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 2023.

The quarterly financial statements at 31 March 2024, as for those at 31 March 2023, were prepared net of tax and tax effects.

In first quarter 2024, the consolidation scope remained unchanged.

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 serves as a unit of measurement to evaluate Group and Parent operational performance, with **EBIT**, and is calculated as follows:

Result from continuing operations, before 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 quarter 2024, 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, magazines (weeklies and monthlies) and books, 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 quarter of 2024 was dominated by the ongoing conflicts in Ukraine and the Middle East, with their repercussions extending to the economy and trade. These events persist in creating a state of significant overall uncertainty. The Group has no direct exposure and/or business activities towards the markets affected by the conflict and/or sanctioned entities.

In first quarter 2024, GDP in Italy recorded a 0.3% increase versus fourth quarter 2023 and a 0.6% increase versus the same quarter of the prior year (*ISTAT*). At March 2024, YoY inflation stands at +1.2% (*ISTAT - FOI index excluding tobacco*). In first quarter 2024, GDP in Spain recorded a 0.7% increase versus fourth quarter 2023 and a 2.4% increase YoY (*National Statistics Institute - INE*). At March 2024, YoY inflation stands at 3.2% (*National Statistics Institute - INE*).

In Italy, the advertising market in first quarter 2024 (*Nielsen*) was up by 3.8% versus the same period of 2023, with online (excluding search, social media and over the top) and TV up by 2.6% and by 5.6%. Newspapers and magazines were down by 11.2% and by 4.9%. In Spain, the advertising sales market in first quarter 2024 grew by 4.4% versus the same period of 2023 (*i2p, Arce Media*). Specifically, the newspaper, magazine, and radio markets posted declines of 11.9%, 0.9%, and 0.7%, while Internet sales (excluding social media, search, etc.) were up by 4.4%.

Economic uncertainty and the general scenario also hit daily newspaper and magazine sales figures. On the circulation front, in first quarter 2024, generalist newspapers in Italy recorded a 8.3% decline in print and digital circulation, while sports newspapers recorded a 2.2% decrease in print and digital circulation (*ADS January-March 2024*). In Spain, in first quarter 2024, circulation figures show a decline for generalist newspapers (-6.4%), sports newspapers (-8.2%) and business newspapers (-0.9%) (*OJD January-March 2024*).

In first quarter 2024, amid uncertainty from the conflicts in Ukraine and the Middle East:

- the **Group** achieved higher margins (EBITDA, EBIT, and net result) than in the same period of 2023 and continued to generate positive cash flows, improving the net financial position by approximately Euro 18.6 million versus 31 December 2023;
- **RCS's** margins (EBITDA, EBIT and net result) too were up versus first quarter 2023. RCS confirmed remarkable circulation levels at newsstands and continued its growth in the digital field, ranking as Italy's top online publisher also in first quarter 2024 with an aggregate figure of 31.8 million average monthly unique users (net of duplications - *Audicom*). At end December, the total active digital customer base (digital edition, membership and m-site) of *Corriere della Sera* reached 615 thousand subscriptions (595 thousand at end 2023 - Internal Source), while the customer base of *Gazzetta's* pay products (*G*



ALL, *G+*, *GPRO* and *Fantacampionato*) reached 224 thousand subscriptions (214 thousand at end 2023 - Internal Source). Digital subscriptions grew in Spain too (digital edition and premium), reaching at year end 143 thousand subscriptions for *El Mundo* (136 thousand at end 2023 - Internal Source) and 89 thousand subscriptions for *Expansión* (82 thousand at end 2023 - Internal Source);

- the **TV publishing (La7) and network operator segment** achieved higher margins (EBITDA, EBIT and net result) than those achieved in the same period of 2023 and high ratings of the La7 channel (3.59% all-day share and 5.23% prime time). Specifically, in the quarter La7 ranked as the fifth channel in prime time ratings and in March the fourth with a 5.36% share. Gross advertising sales on La7 and La7d channels amounted to approximately Euro 35.8 million (Euro 35.4 million in 2023);

- the **magazine publishing segment Cairo Editore**, with an EBITDA of Euro 1.9 million, also achieved higher results than in 2023 (Euro 1.2 million).

In first quarter 2024, consolidated gross revenue amounted to approximately Euro 244.3 million (comprising gross operating revenue of Euro 232.4 million and other revenue and income of Euro 11.8 million) versus Euro 256.2 million in 2023 (comprising gross operating revenue of Euro 243.4 million and other revenue and income of Euro 12.8 million).

EBITDA and EBIT came to Euro 16.2 million and Euro -2.8 million (Euro 13.6 million and Euro -6.8 million in the same period of the prior year). Net non-recurring expense amounted to Euro -0.1 million (Euro -0.4 million in 2023). The Group's seasonality factors generally impact on the results of the first and third quarters of the year.

The net result attributable to the owners of the parent came to Euro -2.0 million (Euro -3 million in 2023).

Looking at the business segments, in first quarter 2024:

- in the **magazine publishing segment (Cairo Editore)**, EBITDA and EBIT came to Euro 1.9 million and Euro 1.6 million (Euro 1.2 million and Euro 0.8 million in 2023). Regarding weeklies, with approximately 0.9 million average copies sold in first quarter 2024 (*ADS January-March 2024*), Cairo Editore retains its position as the leading publisher in copies of weeklies sold at newsstands, with an approximately 29% 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 million;

- in the **TV publishing (La7) and network operator segment**, EBITDA grew to reach approximately Euro 1.8 million (Euro 0.9 million in 2023). 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. EBIT was approximately Euro -2.2 million (Euro -3.4 million in 2023);

- in the **advertising segment**, EBITDA came to Euro -0.6 million (Euro -0.3 million in 2023) and EBIT to Euro -1.3 million (Euro -0.9 million in 2023);

- in the **RCS segment**, in the consolidated financial statements of Cairo Communication, EBITDA¹ and EBIT amounted to Euro 13.2 million and Euro -0.9 million (Euro 11.8 million and Euro -3 million in the same period of the prior year). RCS's seasonality factors also generally impact on the results of the first and third quarters of the year. Net operating revenue amounted to Euro 168.9 million, with total digital revenue (Italy and Spain) amounting to approximately Euro 44.4 million and accounting for approximately 26.3% of total revenue. Total advertising sales from RCS online media amounted to Euro 27 million in first quarter 2024, making for 47% 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). EGM's latest April 2024 "*General Media Research*" survey confirms Unidad Editorial as the leader in Spanish print media, with over 1.5 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 first quarter 2024 30.3 million and 15.5 million average monthly unique users, and 3.9 million and 2.1 million average daily unique users (*Audicom*). The main social accounts of the *Corriere System* at 31 March 2024 reached approximately 12.7 million total followers (considering *Facebook*, *Instagram*, *X*, *LinkedIn* and *TikTok* - Internal Source) and those of *La Gazzetta dello Sport* 6.1 million (considering *Facebook*, *Instagram*, *X*, *TikTok* and *YouTube* - Internal Source). In Spain, as part of the online activities, *elmundo.es*, *marca.com* and *expansion.com* reached 40.8 million, 86.8 million and 9.4 million average monthly unique browsers in first quarter 2024, comprising both domestic and foreign browsers and including apps (*Google Analytics*). The social audience of Unidad Editorial Group titles (Internal Source) stands at 10.9 million followers for *El Mundo*, 19 million for *Marca* and 2.4 million for *Telva* (considering *Facebook*, *Instagram* and *X*) and 1.5 million for *Expansión* (considering *Facebook*, *Instagram*, *X* and *LinkedIn*).

In first quarter 2024, La7's average all-day share was 3.64% and 5.23% in prime time (from 8:30 PM to 10:30 PM), confirming a high-quality target audience. Specifically, in the quarter La7 ranked as the fifth channel in prime time ratings and in March the fourth with an average 5.36% share, a fourth position confirmed in April with a 5.6% share. In the morning slots too (7:00/12:00), La7 achieved a 3.61% share

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, totaling Euro 0.5 million in first quarter 2024 - EBITDA shown in the RCS Interim Management Statement at 31 March 2024, approved on 13 May 2024, amounted to Euro 12.6 million.



in the three months, claiming the fifth position in the national ranking. La7d's share in first quarter 2024 was 0.43% in all-day and 0.48% in prime time. Starting in April, La7d's programming has been enhanced with a revamped and dynamic schedule featuring new exclusive content. La7's news and discussion programmes in first quarter 2024 all continued to deliver remarkable results: *Otto e Mezzo* with 7.5% average share from Monday to Friday, *TgLa7 8 p.m. edition* with 6.5% from Monday to Friday, *diMartedì* with 7.5%, *Piazzapulita* with 5.1%, *Propaganda Live* with 6%, *In Altre Parole* with 5.3% on Saturdays, *In Onda* with 6.8%, *Omnibus La7* with 3.7%, *Coffee Break* with 4.2% from Monday to Friday, *L'Aria che tira* with 4.7%, *Tagadà* with 3.7%, and re-runs of previous episodes of *Una Giornata Particolare* with 4.6%.

In first quarter 2024, La7 confirmed its leadership among generalist TV stations in terms of news hours (almost 14 average hours) and was the second channel in terms of live hours (an average of almost 11 hours per day).

On the digital front, in first quarter 2024 average monthly unique users were 6.4 million and daily unique users 438 thousand. Stream views were 18.5 million per month. In the quarter, average monthly unique browsers of Tg.La7.it (3.2 million) grew by 140% versus the same period of 2023. At end March 2024, followers of La7 and its active programmes on Facebook, X, Instagram and TikTok were 7.2 million.

The main **consolidated income statement figures** in first quarter 2024 can be compared as follows with those of 2023:

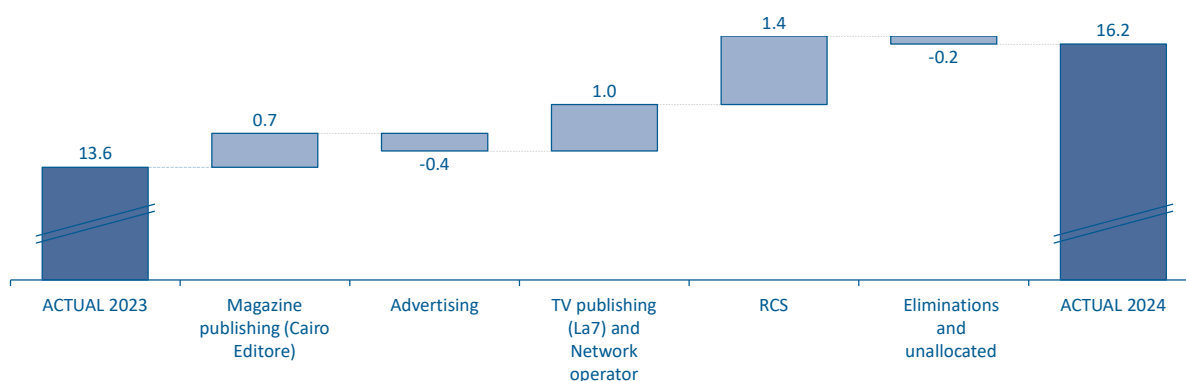
(€ millions)	31/03/2024	31/03/2023
Gross operating revenue	232.4	243.4
Advertising agency discounts	(12.1)	(12.7)
Net operating revenue	220.3	230.7
Change in inventory	1.0	1.0
Other revenue and income	11.8	12.8
Total revenue	233.2	244.5
Production costs	(136.7)	(148.8)
Personnel expense	(80.2)	(81.7)
Non-recurring income and expense	(0.1)	(0.4)
EBITDA	16.2	13.6
Amortization, depreciation, provisions and write-downs	(19.0)	(20.1)
EBIT	(2.8)	(6.5)
Other gains (losses) from financial assets/liabilities	(0.1)	-
Net financial income	(3.5)	(3.0)
Profit (loss) before tax	(6.4)	(9.5)
Income tax	3.7	5.6
Non-controlling interests	0.7	0.8
Profit (loss) for the period attributable to the owners of the parent	(2.0)	(3.0)



In first quarter 2024, consolidated gross revenue amounted to approximately Euro 244.3 million (comprising gross operating revenue of Euro 232.4 million and other revenue and income of Euro 11.8 million) versus Euro 256.2 million in 2023 (comprising gross operating revenue of Euro 243.4 million and other revenue and income of Euro 12.8 million).

EBITDA and EBIT came to Euro 16.2 million and Euro -2.8 million (Euro 13.6 million and Euro -6.5 million in the same period of the prior year). Net non-recurring expense amounted to Euro -0.1 million (Euro -0.4 million in 2023). The Group's seasonality factors generally impact on the results of the first and third quarters of the year.

The **EBITDA** trend between first quarter 2024 and the same period of 2023 is shown below:



The net result attributable to the owners of the parent came to Euro -2.0 million (Euro -3 million in 2023).

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

€ millions	31 March 2024	31 March 2023
Profit (loss) for the year	(2.7)	(3.9)
Reclassifiable items of the comprehensive income statement		
Gains (losses) from the translation of financial statements denominated in foreign currencies	0.0	0.0
Gains (losses) from cash flow hedges	(0.1)	(0.1)
Reclassification of gains (losses) from cash flow hedges	-	(0.1)
Tax effect	-	0.0
Total comprehensive income for the period	(2.8)	(4.0)
- Owners of the parent	(2.1)	(3.2)
- Non-controlling interests	(0.7)	(0.8)
	(2.8)	(4.0)

The Group's performance can be read better by analyzing the first quarter 2024 results by **main business**



segment (magazine publishing Cairo Editore, advertising, TV publishing La7, network operator and RCS) versus those of the same period of 2023.

2024	Magazine publishing Cairo Editore	Advertising	TV publishing La7	RCS	Eliminations and unallocated	Total
(€ millions)			and network operator			
Gross operating revenue	16.5	79.2	28.1	175.4	(66.8)	232.4
Advertising agency discounts	-	(10.2)	-	(6.5)	4.6	(12.1)
Net operating revenue	16.5	69.0	28.1	168.9	(62.2)	220.3
Change in inventory	(0.0)	-	-	1.0	-	1.0
Other revenue and income	2.6	1.1	0.2	8.9	(0.9)	11.8
Total revenue	19.1	70.0	28.4	178.9	(63.2)	233.2
Production costs	(13.2)	(65.1)	(16.8)	(104.6)	63.0	(136.7)
Personnel expense	(3.9)	(5.5)	(9.7)	(61.0)	(0.0)	(80.2)
Non-recurring income (expense)	-	-	-	(0.1)	-	(0.1)
EBITDA	1.9	(0.6)	1.8	13.2	(0.1)	16.2
Amortization, depreciation, provisions and write-downs	(0.3)	(0.7)	(4.0)	(14.1)	0.1	(19.0)
EBIT	1.6	(1.3)	(2.2)	(0.9)	(0.0)	(2.8)
Other gains (losses) from financial assets/liabilities	(0.0)	-	-	(0.1)	-	(0.1)
Net financial income	0.0	(0.7)	0.3	(3.1)	0.0	(3.5)
Profit (loss) before tax	1.7	(2.0)	(1.9)	(4.1)	(0.0)	(6.4)
Income tax	(0.0)	0.5	0.4	2.9	(0.0)	3.7
Non-controlling interests	-	0.2	-	0.5	0.0	0.7
Profit (loss) for the period attributable to the owners of the parent	1.6	(1.3)	(1.5)	(0.8)	(0.0)	(2.0)
2023	Magazine publishing Cairo Editore	Advertising	TV publishing La7	RCS	Eliminations and unallocated	Total
(€ millions)			and network operator			
Gross operating revenue	18.0	81.3	28.1	185.8	(69.9)	243.4
Advertising agency discounts	-	(10.4)	-	(7.0)	4.8	(12.7)
Net operating revenue	18.0	70.9	28.1	178.8	(65.2)	230.7
Change in inventory	(0.0)	-	-	1.0	-	1.0
Other revenue and income	3.5	0.6	0.1	9.3	(0.6)	12.8
Total revenue	21.5	71.5	28.2	189.1	(65.8)	244.5
Production costs	(16.1)	(66.2)	(17.6)	(114.8)	65.8	(148.8)
Personnel expense	(4.2)	(5.6)	(9.7)	(62.2)	(0.0)	(81.7)
Non-recurring income (expense)	-	-	-	(0.4)	-	(0.4)
EBITDA	1.2	(0.3)	0.9	11.8	0.0	13.6
Amortization, depreciation, provisions and write-downs	(0.5)	(0.6)	(4.3)	(14.8)	0.0	(20.1)
EBIT	0.8	(0.9)	(3.4)	(3.0)	0.0	(6.5)
Other gains (losses) from financial assets/liabilities	-	-	-	0.0	-	0.0
Net financial income	(0.0)	(0.1)	0.1	(2.9)	(0.0)	(3.0)
Profit (loss) before tax	0.7	(0.9)	(3.3)	(5.9)	0.0	(9.5)
Income tax	0.4	0.2	0.8	4.2	(0.0)	5.6
Non-controlling interests	-	0.2	-	0.7	(0.0)	0.8
Profit (loss) for the period attributable to the owners of the parent	1.1	(0.6)	(2.5)	(1.1)	0.0	(3.0)



The main **consolidated statement of financial position figures** at 31 March 2024 can be analyzed versus the situation at 31 December 2023:

(€ millions)	31/03/2024	31/12/2023
Tangible assets	106.1	107.1
Rights of use on leased assets	142.0	130.4
Intangible assets	984.2	987.3
Financial assets	34.2	35.0
Deferred tax assets	86.4	84.0
Net working capital	(67.0)	(47.1)
<u>Total assets</u>	1,285.9	1,296.7
Non-current liabilities and provisions	86.9	87.8
Deferred tax provision	163.6	163.4
(Financial position)/Net debt	(13.8)	4.8
Liabilities from leases (pursuant to IFRS 16)	156.6	145.4
Equity attributable to the owners of the parent	546.3	548.4
Equity attributable to non-controlling interests	346.3	346.9
<u>Total equity and liabilities</u>	1,285.9	1,296.7

In 2024, as part of the share buy-back plans, no treasury shares were sold or purchased. At 31 March 2024, 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 2024 approved the distribution of a dividend of Euro 0.07 per share, gross of tax, with ex-dividend date on 20 May 2024, for a total of approximately Euro 36.2 million (Euro 21.7 million the share of Cairo Communication),
- the Shareholders' Meeting held by Cairo Communication on 8 May 2024 approved the distribution of a dividend of Euro 0.16 per share, gross of tax, with ex-dividend date on 27 May 2024, for a total of approximately Euro 21.5 million.

The change in net financial position at Group level as a result of the distribution of dividends will be approximately Euro 36 million.

The **consolidated net financial position** at 31 March 2024, versus the situation at 31 December 2023, is summarized as follows:



Net financial position (€ millions)	31/03/2024	31/12/2023	Changes
Cash and cash equivalents	57.9	58.1	(0.2)
Other current financial assets and financial receivables	0.7	0.9	(0.2)
Current financial assets (liabilities) from derivative instruments	0.1	0.2	(0.1)
Current financial payables and payables to banks	(4.1)	(23.6)	19.5
Current net financial position (net financial debt)	54.6	35.6	19.0
Non-current financial payables	(40.8)	(40.4)	(0.4)
Non-current financial assets (liabilities) from derivative instruments	-	-	-
Non-current net financial position (net financial debt)	(40.8)	(40.4)	(0.4)
Net financial position (net financial debt)	13.8	(4.8)	18.6
Liabilities from leases (pursuant to IFRS 16)	(156.6)	(145.4)	(11.1)
Total net financial position (net financial debt)	(142.7)	(150.2)	7.5

The consolidated **net financial position** at 31 March 2024 stood at approximately Euro 13.8 million (net debt of Euro 4.8 million at end 2023). The change versus end 2023 is explained mostly by the positive contribution from ordinary operations, offset by outlays for technical expenditure and non-recurring expense totaling Euro 9.5 million. As already noted in the 2023 Annual Report, working capital is still affected by the timing of the collection of tax receivables provided for the publishing industry (at 31 March 2024, Euro 43.5 million residual receivables also related to the years 2021, 2022 and 2023).

Total net financial debt, which includes financial liabilities from leases recognized in accordance with IFRS 16 (mainly property leases) of Euro 156.6 million, amounted to Euro 142.7 million (Euro 150.2 million at 31 December 2023).

4. REVENUE

Gross operating revenue in first quarter 2024, split up by main business segment, can be analyzed as follows versus the amounts of the same period of 2023:



2024	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
TV advertising	-	35.8	24.7	0.1	(24.9)	35.6
Advertising on print media, Internet and sporting events	1.2	43.0	0.4	63.7	(39.5)	68.7
Other TV revenue	-	-	0.7	0.6	-	1.3
Magazine over-the-counter sales and subscriptions	15.6	-	-	80.5	(0.4)	95.7
VAT relating to publications	(0.2)	-	-	(0.7)	-	(0.9)
Sundry revenue	-	0.4	2.4	31.2	(2.0)	32.0
Total gross operating revenue	16.5	79.2	28.1	175.4	(66.8)	232.4
Other revenue	2.6	1.1	0.2	8.9	(0.9)	11.8
Total gross revenue	19.1	80.2	28.4	184.3	(67.7)	244.2

2023	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
TV advertising	-	35.4	24.6	0.0	(24.9)	35.2
Advertising on print media, Internet and sporting events	1.4	45.5	0.6	71.1	(42.5)	76.1
Other TV revenue	-	-	0.4	0.7	(0.1)	1.0
Magazine over-the-counter sales and subscriptions	16.9	-	-	83.8	(0.5)	100.2
VAT relating to publications	(0.2)	-	-	(0.8)	-	(1.0)
Sundry revenue	-	0.4	2.5	31.0	(2.0)	31.8
Total gross operating revenue	18.0	81.3	28.1	185.8	(69.9)	243.4
Other revenue	3.5	0.6	0.1	9.3	(0.6)	12.8
Total gross revenue	21.5	81.9	28.2	195.1	(70.6)	256.2

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 “*Natural Style*”, “*Bell’Italia*”, “*Gardenia*” and “*Arte*”.

In first quarter 2024, amid persisting uncertainty from the conflicts in Ukraine and the Middle East, Cairo Editore improved its results versus the same period of 2023.

EBITDA and EBIT came to approximately Euro 1.9 million and approximately Euro 1.6 million (Euro 1.2 million and Euro 0.8 million in 2023).

The Group weeklies reported high circulation results, with an average ADS weekly circulation in first



quarter 2024 of 254,528 copies for “*Settimanale DIPIU*”, 121,860 copies for “*DIPIU’ TV*”, 35,348 copies for “*Settimanale DIPIU’ e DIPIU’TV Cucina*”, 79,312 copies for “*Diva e Donna*”, 138,101 copies for “*Settimanale Nuovo*”, 58,907 copies for “*F*”, 56,958 copies for “*TVMia*”, 42,420 copies for “*Settimanale Giallo*”, and 65,958 copies for “*NuovoTV*”, reaching a total of approximately 0.9 million average weekly copies sold, and making the Group the leading publisher in copies of weeklies sold at newsstands, with an approximately 29% 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 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 quarter 2024:

- in January, the monthly *Arte* and the Catalogue of Modern Art participated in Arte Fiera;
- February saw the opening of entries for the 31st Art Prize;
- in March, *Bell'Italia* unveiled the release of the first volume of *Guida Osterie d'Italia 2024*, the result of a partnership with Slow Food Editore.

Starting with the issue following the February 2024 edition. Cairo Editore discontinued the publication of five monthly magazines (*Bell'Europa*, *In Viaggio*, *Airone*, *For Men Magazine*, *Antiquariato*). These magazines had been consistently generating negative margins for several years. In early February, two reorganization plans were signed with Cairo Editore union representatives, assisted by territorial organizations, to manage 32 declared redundancies among journalists (16) and graphic designers (16). The procedures were concluded through joint examination with the Ministry of Labour on 27 February 2024, and with the Lombardy Region on 29 February 2024, respectively. Under the plans, Cairo Editore obtained activation for CIGS for reorganization, effective for a duration of 24 months from March 2024, with a maximum allowance for 16 journalists and 16 graphic designers. The Company also obtained access to 32 early retirements (16 journalists and 16 graphic designers), in accordance with current regulations and within the limit of positions available under the allocated resources.

ADVERTISING

With regard to the advertising segment, at end 2020 Cairo Communication and RCS transferred in a newly-established investee, 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 quarter 2024, EBITDA stood at Euro -0.6 million and EBIT at Euro -1.3 million (Euro -0.3 million and Euro -0.9 million in 2023).

In first quarter 2024:



- gross advertising sales on La7 and La7d channels amounted to approximately Euro 35.8 million (Euro 35.4 million in 2023),
- advertising sales on Cairo Editore titles amounted to Euro 1.5 million (Euro 1.7 million in 2023),
- gross advertising revenue of RCS titles in Italy amounted to Euro 37.9 million (Euro 39.8 million in 2023).

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 quarter 2024, the TV publishing (La7) and network operator segment's EBITDA grew to reach approximately Euro 1.8 million (Euro 0.9 million in first quarter 2023), while EBIT came to approximately Euro -2.2 million (Euro -3.4 million in first quarter 2023).

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 quarter 2024, La7's average all-day share was 3.64% and 5.23% in prime time (from 8:30 PM to 10:30 PM), confirming a high-quality target audience. Specifically, in the quarter La7 ranked as the fifth channel in prime time ratings and in March the fourth with an average 5.36% share, a fourth position confirmed in April with a 5.6% share. In the morning slots too (7:00/12:00), La7 achieved a 3.61% share in the three months, claiming the fifth position in the national ranking. La7d's share in first quarter 2024 was 0.43% in all-day and 0.48% in prime time. Starting in April, La7d's programming has been enhanced with a revamped and dynamic schedule featuring new exclusive content. La7's news and discussion



programmes in first quarter 2024 all continued to deliver remarkable results: *Otto e Mezzo* with 7.5% average share from Monday to Friday, *TgLa7* 8 p.m. edition with 6.5% from Monday to Friday, *diMartedì* with 7.5%, *Piazzapulita* with 5.1%, *Propaganda Live* with 6%, *In Altre Parole* with 5.3% on Saturdays, *In Onda* with 6.8%, *Omnibus La7* with 3.7%, *Coffee Break* with 4.2% from Monday to Friday, *L'Aria che tira* with 4.7%, *Tagadà* with 3.7%, and re-runs of previous episodes of *Una Giornata Particolare* with 4.6%.

In first quarter 2024, La7 confirmed its leadership among generalist TV stations in terms of news hours (almost 14 average hours) and was the second channel in terms of live hours (an average of almost 11 hours per day).

On the digital front, in first quarter 2024 average monthly unique users were 6.4 million and daily unique users 438 thousand. Stream views were 18.5 million per month. In the quarter, average monthly unique browsers of Tg.La7.it (3.2 million) grew by 140% versus the same period of 2023. At end March 2024, followers of La7 and its active programmes on Facebook, X, Instagram and TikTok were 7.2 million.

Explanatory Note 39 to the consolidated financial statements in the Annual Report at 31 December 2023 contains a detailed description of the current developments in the legislative and regulatory framework regarding the rights to use television frequencies, following the provisions of the 2018 and 2019 Budget Laws, and of Cairo Network's distinctive position against this backdrop.

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 2022² and 2023² profit had amounted to Euro 71.1 million, Euro 85.2 million, Euro 68.5 million, Euro 31.7 million, Euro 72.4 million, Euro 50.1 million and Euro 57 million.

In first quarter 2024, against a backdrop still dominated by the uncertainty caused by the conflicts in Ukraine and the Middle East, RCS achieved - in the consolidated financial statements of Cairo Communication - an EBITDA of approximately Euro 13.2 million³ and an EBIT of Euro -0.9 million (Euro 11.8 million and Euro -3 million in 2023). Net non-recurring expense and income came to Euro -0.1 million (Euro -0.4 million in 2023). RCS's seasonality factors generally impact on the results of the first and third quarters of the year.

In first quarter 2024, net operating revenue amounted to Euro 168.9 million, with total digital revenue (Italy and Spain) amounting to approximately Euro 44.4 million and accounting for approximately 26.3% of total revenue. Total advertising sales from RCS online media amounted to Euro 27 million in first quarter 2024, making for 47% of total advertising revenue.

In first quarter 2024, both Italian newspapers retained their circulation leadership in their respective market segments (*ADS*). In Italy, in first quarter 2024, average daily copies circulated including digital copies of *Corriere della Sera* stood at 231 thousand, and those of *La Gazzetta dello Sport* at 142 thousand copies (*ADS January-March 2024*). *Corriere della Sera* was able to achieve the excellent newsstand circulation results and, most importantly, to continue the growth in digital development.

At end March 2024, the total active digital customer base for *Corriere della Sera* (digital edition, membership and m-site) reached 615 thousand subscriptions (595 thousand at end 2023 - Internal Source), while the customer base of *Gazzetta's* pay products (which includes *G ALL*, *G+*, *GPRO* and *Fantacampionato* products) reached 224 thousand subscriptions (214 thousand at end 2023 - 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 first quarter 2024 counted 30.3 million and 15.5 million average monthly unique users, and 3.9 million and 2.1 million average daily unique users (*Audicom*).

² RCS 2017, 2018, 2019, 2020, 2021, 2022 and 2023 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, totaling Euro 0.5 million in first quarter 2024 - EBITDA shown in the RCS Interim Management Statement at 31 March 2024, approved on 13 May 2024, amounted to Euro 12.6 million.



RCS ranks as the top online publisher also in first quarter 2024 in Italy with an aggregate figure of 31.8 million average monthly unique users (net of duplications - *Audicom*).

The main social accounts of the *Corriere System* at 31 March 2024 reached approximately 12.7 million total followers (considering *Facebook*, *Instagram*, *X*, *LinkedIn* and *TikTok* - Internal Source) and those of *La Gazzetta dello Sport* 6.1 million (considering *Facebook*, *Instagram*, *X*, *TikTok* and *YouTube* - Internal Source).

Including digital copies, in first quarter 2024 the average daily circulation of *El Mundo*, *Marca* and *Expansión* stood at approximately 53 thousand copies, approximately 51 thousand copies and 22 thousand copies (*OJD*). The latter two newspapers retained their circulation leadership in their respective market segments also at March 2024 (*OJD*). The latest *Estudio General de Medios* survey published in April 2024 confirms Unidad Editorial as the daily news leader with over 1.5 million total daily readers for the three daily titles.

In Spain as well, the main digital performance indicators confirm Unidad Editorial's top market position, with *elmundo.es*, *marca.com* and *expansion.com* reaching 40.8 million, 86.8 million and 9.4 million average monthly unique browsers in first quarter 2024, comprising both domestic and foreign browsers and including apps (*Google Analytics*). The international English-language version of *Marca* achieved 24.6 million average monthly unique browsers in first quarter 2024 (Internal Source), including those of *marca.com* above. The social audience of Unidad Editorial Group titles (Internal Source) stands at 10.9 million followers for *El Mundo*, 19 million for *Marca* and 2.4 million for *Telva* (considering *Facebook*, *Instagram* and *X*) and 1.5 million for *Expansión* (considering *Facebook*, *Instagram*, *X* and *LinkedIn*).

In Spain, at end March 2024, digital subscriptions (digital edition and premium) grew to reach approximately 143 thousand subscriptions for *elmundo.es* (136 thousand at end 2023 - Internal Source) and approximately 89 thousand subscriptions for *expansion.com* (82 thousand at end 2023 - Internal Source).

At 31 March 2024, net financial debt stood at Euro 12.4 million (Euro 23.4 million at 31 December 2023). The change is explained mostly by the positive contribution from ordinary operations, offset by outlays for technical expenditure and non-recurring expense totaling approximately Euro 6.6 million. As noted in the 2023 Annual Report, working capital is still affected by the timing of the collection of tax receivables provided for the publishing industry (at 31 March 2024, Euro 30.3 million residual receivables also related to the years 2021, 2022 and 2023).

The total net financial debt of RCS, which includes financial liabilities from leases recognized in accordance with IFRS 16, totaling Euro 139.6 million (mainly property leases), amounted to Euro 152 million (Euro 151.4 million at 31 December 2023).

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 quarter 2024:

- on 23 January, the *L'Economia* channel of *corriere.it* launched the new digital service “*Chiedi all'Esperto*” in collaboration with Giuffrè, and on 20 February, the *Salute* channel introduced the new “*Sportello Cancro*” in collaboration with Fondazione Veronesi. This initiative provides informative and in-depth content and allows users to ask questions to select oncology doctors;
- *La Gazzetta dello Sport* and its supplements, *G Magazine* and *Sportweek*, followed the major sporting events of early 2024;
- in early 2024, *La Gazzetta dello Sport* opened two new social channels: *LinkedIn* and *YouTube*, which totaled 3.2 million video views in first quarter 2024;
- in early March 2024, *La Gazzetta dello Sport* launched its new app, which now offers access to both the site's news and the daily newspaper's browser in digital format, along with additional features;
- 7 and 8 March saw the third edition of *Obiettivo5*, the *Corriere della Sera* and *iO Donna* event in association with La Sapienza University of Rome dedicated to gender equality issues;
- in early March 2024, the Fantacampionato's “*Torneo dei lettori del quotidiano*” was launched on *La Gazzetta dello Sport*;
- on 11 March, Palazzo Mezzanotte in Milan hosted “*Italia Genera Futuro*”, the *L'Economia*'s event presenting the ranking of Italy's top 1,000 small and medium-sized enterprises;
- on 14 March, the *fast* channel “*Talks by Corriere della Sera*” was launched on Samsung TV Plus;
- the first quarter saw the creation of three new podcast columns available on *gazzetta.it* and major distribution platforms: *Bisturi*, *Il Rosa e il Nero* and *Illusioni*. For *Corriere della Sera*, February saw the release of the ongoing podcast “*Giorno per giorno*”, which replaced “*Corriere Daily*”, and the promotion of the “*Tech Emotion*” series in the economic field;
- in first quarter 2024, *Gazzetta dello Sport* launched a new cross-platform (site and social channels) organization for the video area, unifying the production of videos for the site and social channels under a single editorial guide. March also saw the completion of the migration process to the new video platform;
- new video columns on *Corriere TV* were produced in the quarter: “*Milano come stai*”, “*Palomar*”, “*A Capotavola*,” and new *LIVE* slots live from *Corriere TV* studios such as “*Super Tuesday verso il voto Usa 2024*”;
- on 20 March, *Corriere della Sera* reinstated its historic front pages to the centre of the newspaper in print format;
- on 25-28 March, *Corriere della Sera* and Bocconi University organized the first edition of the *Forum Internazionale Pact4Future*, through 4 days, 9 events and featuring the voices of more than 80 prominent figures from the international scene;

- 25 March saw the start of the new tour from Bergamo of the *Le Economie d'Italia* series of meetings, *L'Economia*'s journey through small and medium-sized businesses across Italy;
- on 29 March, the cross-media project “*Questa è l'Europa*” was launched by *Corriere della Sera* to delve into major European issues;
- in the digital subscriptions area, an important event related to the birthday of the *Corriere*, “*Come cambia l'informazione, dietro le quinte del Corriere*”, was organized, attended by the last three editors and its top contributors;
- on the series, books and add-ons front, *La Gazzetta dello Sport* published the book “*Chiedimi chi era Pantani*”, the collection “*Milo Manara*,” the collection “*Pokemon*”, the publication of the “*Album calciatori Panini*” and the collection of unpublished essays “*Terrorismo italiano*”. *Corriere della Sera* in the quarter published *Il futuro della democrazia*, *Lenin. La vita e la rivoluzione*, *Longevità. Vivere bene per vivere a lungo*, *Viaggi brevi - percorsi insoliti*, the *Collana Alessandro Baricco*.

For **magazines**:

- in February, *Amica* launched its first podcast series, “*Fashion files- i feticci della moda*”;
- on 15 March, organized by *Style Piccoli* and *quimamme.it* in collaboration with *iO Donna*, *Corriere Salute*, *Fondazione Corriere della Sera* and the Italian Parents Movement, the event “*Elogio dell'empatia-Contributo al dialogo sul bullismo*”, was held; for the event, the results of the research conducted by *Sfera* on how adults experience bullying and cyberbullying were presented;
- *Amica*, in collaboration with the Academy of Fine Arts, hosted the first edition of a contest that invited students to explore the theme of the dialogue between Art and Fashion through their expressions.

RCS Academy, the Group's business school, continued its training activities in first quarter 2024, completing the master's degree programs launched in autumn 2023, focusing on *Digital Marketing, Communication and New Media, Management of Sports, Art, Food, Fashion and Luxury, and Audiovisual*. The quarter saw the beginning of the placement of full-time master's degree programs with internships nearing completion, offering young students tangible opportunities to enter the job world. The quarter also witnessed the first business talk of the year on the topics of the *Sustainability Economy* and a business talk on the topics of *Alternative Sources: Renewables, Hydrogen and Nuclear*.

As for the Books market in Italy (*GFK*), the first quarter experienced a sluggish beginning versus the prior year (a cumulative -5% in volume and -3.8% in value), while March showed an encouraging rebound (+5.3% in volume and +8.2% in value). Publications related to RCS brands (*Solferino, Cairo* and *Fuoriscena*) outperformed the market by far, with YoY growths of +14% in volume and +18.6% in value.



Below are also some of the main initiatives implemented **in Spain** in first quarter 2024:

- January saw the launch of the new version of *Lectura*, *El Mundo*'s cultural supplement, with a redesign that adapts the magazine to the newspaper format while enriching its content;
- since 10 January, *Radio Marca* has extended its territorial reach by adding 11 new stations, broadening its presence to Castilla and Leon, a region inhabited by 2 million people;
- in February, Unidad Editorial's *Escuela de Formación* launched a new, fully revamped web portal to provide users with access to its educational offerings;
- in March, the business newspaper *Expansión* launched a new series of video interviews with key players in the Spanish business world;
- in early March, the *Foro Internacional de El Mundo* “*Europa, un año decisivo*” was attended by prominent national and international political personalities, inaugurating a series of initiatives aimed at celebrating the 35th anniversary of the newspaper;
- also in March, the daily *Marca* revamped its print edition with a new layout, expanding its content offerings and introducing new weekly supplements;
- work also continued on organizing major events, including the participation with *El Mundo* and *La Lectura* in the Madrid International Contemporary Art Fair and the series of “*España está de moda*” meetings organized by *Telva* magazine across various provinces in the country;
- on 17 March, *marca.com* created a new section “*Ganamos Juntos*”, supporting a social cause each month by giving it visibility through sport.

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 tax consolidation	Other current financial assets
Parents	0.1		
Associates	0.1		
Other affiliates	1.1		
Other related parties	0.4		
Total	1.7		



Payables and financial liabilities (€ millions)	Trade and other payables	Other current financial liabilities	
Parents			
Associates	9.0		
Other affiliates	1.8		
Other related parties			
Total	10.8		

Revenue and costs (€ millions)	Operating revenue	Operating costs	Financial income
Parents			
Associates	0.1	(3.7)	
Other affiliates	0.1	(1.6)	
Other related parties	0.3	(0.1)	
Total	0.5	(5.4)	

Transactions with associates refer mainly to:

- the associates in the Bermont Group, in respect of which the Group companies that operate in Spain (Unidad Editorial Group) incurred costs of Euro 3.6 million in first quarter 2024, and hold trade payables of Euro 8.3 million.
- the equity-accounted investees of the m-Dis Distribuzione Media Group, in respect of which the Group companies generated revenue of Euro 0.1 million and incurred costs of Euro 0.1 million in first quarter 2024, and hold trade receivables of Euro 0.1 million and trade payables of Euro 0.5 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 quarter 2024 of Euro 1.6 million to the concession holder against revenue of Euro 1.9 million net of agency discounts. CAIRORCS Media earned further commissions of Euro 36 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 100 thousand.

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 0.3 million. Trade receivables amounted to Euro 0.4 million.



Transactions in the quarter 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 2023 “Report on Corporate Governance and Ownership Structure”.

6. SIGNIFICANT EVENTS AFTER THE YEAR AND BUSINESS OUTLOOK

The first quarter of 2024 was dominated by the ongoing conflicts in Ukraine and the Middle East, with their repercussions extending to the economy and trade. These events persist in creating a state of significant overall uncertainty. The Group has no direct exposure and/or business activities towards the markets affected by the conflict and/or sanctioned entities.

These conflicts, and their impacts, are still ongoing even at the date of approval of this Interim Management Statement.

In the opening months of 2024, 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 conflicts in Ukraine and 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 ongoing conflicts and their developments 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 2024, up from those achieved in 2023, and of continuing with further cash generation from operations.

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



Declaration, pursuant to Article 154-bis paragraph 2 of Legislative Decree no. 58 of 24 February 1998 (T.U.F.)

The Financial Reporting Manager of Cairo Communication S.p.A., Marco Pompignoli, declares, pursuant to paragraph II of Article 154-bis of the Consolidated Finance Law, that the accounting information contained herein is consistent with the underlying accounting documents, books and records.

Financial Reporting Manager
Marco Pompignoli