Management Report
First nine months of 2023

Management Report – First nine months of 2023

1. Financial information – First nine months of 2023

1.1 Consolidated results

Financial indicators

These key figures are extracted from TF1 group consolidated financial data. The results below are presented in accordance with IFRS 16.

(€m)	9m 2023	9m 2022
Revenue	**1,547.5**	**1,740.3**
Group advertising revenue	*1,097.2*	*1,143.2*
Revenue from other activitites	*450.3*	*597.1*
Current operating profit/(loss) from activities	204.0	243.2
Current operating profit/(loss)	200.9	238.7
Operating profit/(loss)	176.5	223.7
Net profit/(loss)	139.0	150.5
Operating cash flow after cost of net debt. income from net surplus cash. interest expense on lease obligations and income taxes paid	315.7	446.5
Basic earnings per share from continuing operations (€)	0.66	0.71
Diluted earnings per share from continuing operations (€)	0.66	0.71
Shareholders' equity attributable to the Group	1,894.7	1,842.7
Net surplus cash/(net debt) of continuing operations	364.1	295.6

	9m 2023	9m 2022
Weighted average number of ordinary shares outstanding ('000)	210,806	210,485
Closing share price at end of period (€)	7.25	5.9
Market capitalisation at end of period (€bn)	1.53	1.24

Income statement contributions – continuing operations

The results below are presented using the segmental reporting structure as described in Note 3 to the consolidated financial statements.

(€m)	Q3 2023	Q3 2022	CHG. €m	CHG. %	9m 2023	9m 2022	CHG. €m	CHG. %
Media[a]	445.2	413.6	31.6	7.6%	1,349.6	1,442.1	(92.5)	-6.4%
Advertising revenue [b]	*350.8*	*327.7*	*23.1*	*7.0%*	*1,097.2*	*1,143.2*	*(46.0)*	*-4.0%*
o/w MYTF1 advertising revenue [c]	*22.1*	*17.7*	*4.4*	*24.9%*	*68.3*	*58.7*	*9.6*	*16.4%*
Non advertising Media revenue [d]	*94.4*	*85.9*	*8.5*	*9.9%*	*252.4*	*298.9*	*(46.5)*	*-15.6%*
Newen Studios	64.2	139.8	(75.6)	-54.1%	197.9	298.2	(100.3)	-33.6%
Consolidated revenue[e]	**509.4**	**553.4**	**(44.0)**	**-8.0%**	**1,547.5**	**1,740.3**	**(192.8)**	**-11.1%**
Media	45.2	37.2	8.0	21.4%	191.4	209.7	(18.3)	-8.7%
Newen Studios	6.6	13.9	(7.3)	-52.4%	12.6	33.5	(20.9)	-62.4%
Current operating profit from activities[f]	**51.7**	**51.1**	**0.6**	**1.2%**	**204.0**	**243.2**	**(39.2)**	**-16.1%**
Current operating profit from activities margin	*10.1%*	*9.2%*	*-*	*+0.9PT*	*13.2%*	*14.0%*	*-*	*-0.8PT*
Current operating profit	**50.6**	**50.0**	**0.6**	**1.2%**	**200.9**	**238.7**	**(37.8)**	**-15.8%**
Operating profit	**45.4**	**41.9**	**3.5**	**8.4%**	**176.6**	**223.7**	**(47.2)**	**-21.1%**
Net profit attributable to the Group	**37.7**	**24.0**	**13.7**	**57.1%**	**139.0**	**150.5**	**(11.5)**	**-7.6%**
Cost of programmes	(225.0)	(198.9)	(26.1)	13.1%	(628.9)	(639.5)	10.6	-1.7%
Net cash[g]	364.1	295.6	68.5	23.2%	364.1	295.6	68.5	23.2%

[a] *Excluding scope effects, +11.1% in Q3 and -1.3% at end-September (vs 2022).*

[b] *Excluding scope effects, +9.7% in Q3 and -1.6% at end-September (vs 2022).*

[c] *With the deconsolidation of Unify Publishers in Q4 2022, the KPI related to digital advertising revenue is replaced by MYTF1 advertising revenue.*

[d] *Excluding scope effects, +16.6% in Q3 and -0.4% at end-September (vs 2022).*

[e] *Excluding scope effects, -6.0% in Q3 and -8.4% at end-September (vs 2022).*

[f] *Current operating profit from activities, "COPA", which equates to current operating profit before amortisation and impairment*

[g] *Before the impact of lease obligations.*

Analysis of cost of programmes

(€m)	9m 2023	9m 2022
Total cost of programmes	**(628.9)**	**(639.5)**
TV dramas / TV movies / Series / Theatre	(185.9)	(204.3)
Entertainment	(185.1)	(193.9)
News (including LCI)	(100.8)	(105.2)
Movies	(85.1)	(86.3)
Sport	(65.5)	(40.9)
Kids	(6.5)	(8.9)

1.2 Significant events of the first nine months of 2023

January

11 January 2023

The TF1 group enters into a sub-licensing deal with the France Télévisions and M6 groups for the screening of 28 matches from Rugby World Cup 2023. Thanks to this sub-licence, the TF1 group will enable all French viewers to watch the entire tournament – a major sporting event for 2023 – free of charge. TF1, the tournament's official broadcaster, will show all the big fixtures of the tournament as well as three pool matches involving the French rugby team, the two best quarter-finals including the one involving France should they qualify, both semi-finals, the Bronze Final and the Final.

12 January 2023

TF1 group signs a new inter-professional agreement to promote creativity for a period of three years. The Group renews its commitment to invest 12.5% of its revenue in the creation of original French works. In addition, for the first time, TF1 pledges to invest in independently produced documentaries which will account for 5.4% of the obligation and bolsters its support for the animation sector, with a sub-quota set at 5.2% of the obligation.

16 January 2023

Claire Basini is appointed TF1 group Executive Vice President of BtoC activities and joins the Executive Committee.
Her mission will be to accelerate the development of TF1's business model towards a mixed model - linear and non-linear - and to expand the Group's presence on all media. She will also be tasked with managing the digital sector within the entire Group.

February

15 February 2023

France Télévisions, M6 and TF1 groups announce the liquidation of SALTO.

This decision by SALTO's three founder-shareholders follows the abandonment of the proposed merger between TF1 and M6, which would have paved the way for SALTO to be taken over by the merged entity. With the project now stopped, SALTO shareholders decided that the conditions were not met for SALTO to continue with its current ownership structure, given the complex and restrictive governance arrangements and the refusal of most Internet service providers to distribute the platform, like the American platforms.

March

6 March 2023

Pierre-Alain Gérard joins TF1 group to succeed Philippe Denery as Executive Vice President Finance, Strategy and Procurement. He becomes a member of the Group's Executive Committee.
Pierre-Alain Gérard's responsibilities will include: financial performance with a focus on the Group's strategic priorities; financial communication to the markets and shareholders; handling of any mergers and acquisitions; and management of the responsible purchasing policy to support the Group's commitments as part of the Climate Contract.

25 March 2023

TF1 group is awarded at the "Séries Mania" festival. At the 5th edition of this event, the TF1 group won the Vidocq Prize for its crime series, *Syndrome E*. The Group was also honoured for *Les Randonneuses*, a series featuring Clémentine Célarié who received the Best Actress Award. As such, TF1 group reaffirms its commitment and ambition to promote French drama.

April

18 April 2023

At the General Meeting of Association des Chaînes Privées (ACP), the French commercial broadcasters' association, held on 18 April 2023, Rodolphe Belmer, Chairman and CEO of TF1

Group, was appointed ACP Chair for a two-year term.

27 April 2023

Following the selection of the TF1 channel by the ARCOM[1] on February 22, 2023, as part of the tender process for its broadcasting DTT licence, the Group signed today a new agreement with the ARCOM, allowing it to broadcast on the DTT frequency starting May 6, 2023, and for a period of 10 years.
The Group will continue to offer its content to a large audience via DTT and reaffirms its social and creative commitments while maintaining the flexibility needed to adapt its programming schedule to market changes.

May

10 May 2023

TF1 group and Amazon announce their partnership with the launch of MYTF1 on Amazon Fire TV from 11 May 2023.
The partnership deal with Amazon reflects the TF1 group's desire to keep pace with trends in French people's video viewing habits, and to make its content accessible across all devices.
Anyone with an Amazon Fire TV Stick, Fire TV Cube, Echo Show 15 or a compatible Smart TV will now be able to access MYTF1 by downloading the app. They will also be able to use the Alexa voice assistant to readily access the Group's content.

17 May 2023

US Network, ABC, confirms that it has placed a series order for the English-language adaption of TF1's hugely successful comedy police procedural *HPI*.
The American adaptation of *HPI* is the next step in the evolution of the French-produced series. Internationally, *HPI* has been sold to more than 105 territories, garnering more than 280 million views. Local versions of the series are also broadcast in the Czech Republic and Slovakia.

24 May 2023

TF1 group was awarded at the "Grand Prix Stratégies de l'Innovation Média 2023" ("Stratégies' 2023 Grand Prize for Media Innovation") event. The Group won eight awards for its innovative advertising, editorial, digital and communication initiatives. These awards serve to recognise TF1's creative expertise, marking the success of these initiatives.

June

9 June 2023

The TF1 group received nine awards at the 12th edition of the Deauville Green Awards, the international festival of film production on sustainable development.
These distinctions clearly illustrate TF1's ambition to promote public awareness of sustainability as a continuation of the Climate Contract signed by the Group in June 2022.

14 June 2023

TF1 group scooped multiple awards at the "Grand Prix de la Responsabilité des Médias" ("Grand Prize for Media Responsibility") ceremony. The Group is immensely proud of its four awards: the Gold Award and the Jury's Favourite Award for *Expertes à la Une* - Season 3 in the Gender Parity Policy category, the Silver Award for "EcoFunding" in the Advertiser Ecological Transition category, and the Silver Award for "the Advertising Fresk" in the Team Training category.

17 July 2023

TF1 group and Newen Studios are delighted to announce that the ground-breaking daily soap *Plus belle la vie* will return to the TF1 channel and its MYTF1 streaming platform, from early 2024. Daily episodes on the channel will be accompanied by a raft of online and social media tie-ins.

1 The French regulatory authority for audiovisual and digital communication

This rebirth of *Plus belle la vie* confirms the unrivalled expertise of Newen Studios in daily soaps, and its ability to breathe new life into iconic brands. With *Demain Nous Appartient*, *Ici Tout Commence* and now *Plus belle la vie*, Newen has become the benchmark player in daily soaps – a unique part of the broadcasting landscape.

8 September 2023

TF1 group announces the launch of MYTF1 on Apple TV.

This agreement enables the Group to continue expanding in the connected TV segment, with ambitions to make the premium content of its streaming platform accessible to the largest possible audience, on all screens. Thanks to the agreements signed with leading connected TV players, MYTF1 is now available for download in almost 95% of French households with a smart TV or connected device.

13 September 2023

Samsung Ads partners with TF1's ad sales house to sell advertising airtime on the Samsung TV Plus streaming service in France.

TF1 PUB teams will now provide a dedicated Smart TV offering, enabling clients to exclusively advertise through MYTF1 content and Samsung TV Plus channels.

This commercial partnership is part of TF1 PUB's digital acceleration strategy, particularly in the streaming and smart TV segments.

28 September 2023

TF1 group acquires exclusive broadcasting rights to the UEFA Women's EURO 2025 championship, hosted in Switzerland in July 2025.

The agreement includes the linear and streaming rights to all 31 matches of this prestigious tournament.

This new agreement reaffirms TF1's commitment to carrying free-to-air coverage of the biggest competitions in European and international football.

1.3 Significant events after the reporting period

5 October 2023

TF1 group acquires exclusive rights to the 2025 Women's Rugby World Cup, hosted in England from 22 August to 27 September.

For the rest of 2023, TF1 will show matches featuring the French team in WXV, a new women’s competition between the world’s leading rugby nations set up by World Rugby.

This new agreement further cements the Group's long-standing partnership with World Rugby around major tournaments.

1.4 Analysis of consolidated results

The results below are presented using the new segmental reporting structure as presented in Note 3 "Operating segments" to the consolidated financial statements, and in accordance with IFRS 16.

Revenue

Nine-Month consolidated revenues for TF1 Group amounted to 1,547.5 million euros, down 8.4% (constant perimeter).

Group advertising revenues stood at 1,097.2 million euros, down 1.6% (constant perimeter), the macro context having impacted the advertising market in H1.

Revenues of Newen Studios amounted to 197.9 million euros, down 33.6%, reflecting a tough prior year base effect.

Cost of programmes and other current operating income/ expenses

Cost of programmes

The TF1 group's costs of programmes totalled €628.9 million, representing a year-on-year decrease of €10.6 million. This performance demonstrates the Group's ability to control its spending and achieve savings when necessary, while maintaining a powerful programme offering with high audiences, confirming its leading position in terms of audience share on commercial targets.

Other income, expenses and depreciation, amortisation and provisions

As of the end of September 2023, other expenses, depreciation, and provisions amount to 714.6 million euros, which is lower compared to their level at the end of September 2022 (743.6 million euros). This decrease is primarily driven by the Newen Studios sector due to more significant production in 2022 than in 2023.

Current operating profit from activities

Current operating profit from activities stood at 204.0 million euros, down 16.1% year-on-year, and implying a margin of 13.2%, close to that of 2022 (- 0.8 pt). The Media segment margin is at 14.2% (- 0.4 pt), and the Newen Studios margin is at 6.4% (-4.9pt). The current operating income is 200.9 million euros.

Operating profit

Operating profit stood at 176.5 million euros including a net -24.4 million euros of non-recurring items, mainly linked to the rationalisation of the Group's real estate in the context of the recently launched cost optimisation plan[1].

Net profit

Net profit attributable to the Group was €139.0 million, representing a decrease of 7.6% year-on-year.

Financial position

Shareholders' equity attributable to the Group was €1,894.7 million at end-September 2023 out of a balance sheet total of €3,552.9 million.

Free cashflow before changes in working capital requirement stood at 111.6 million euros, confirming the Group's effective cash-conversion record. Free cashflow after changes in working capital stood at 161.2 million euros, stable relative to end-September 2022.

[1] Optimisation plan aimed at gradually achieving more than €40 million euros in operational cost savings1 from 2025 onwards, of which €10-15. million will be reinvested in the digital acceleration plan.

The Group continues to benefit from a robust financial position, with net cash of 364.1 million euros at end-September 2023, up 38.4 million euros since December 2022.

As of 30 September 2023, TF1 had confirmed bilateral bank credit facilities of €884 million, including €184 million for Newen Studios.

Those facilities were backed up by a cash pooling agreement with the Bouygues Group.

As of 30 September 2023, drawdowns under those facilities amounted to €71 million, all of which related to Newen Studios.

1.5 Segment information

Media

Revenue

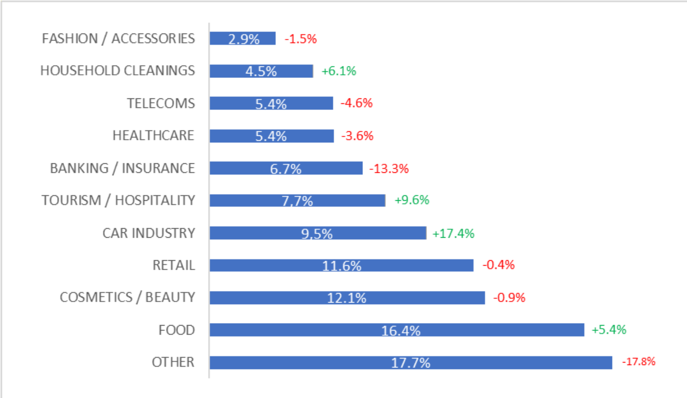
Total revenues for the Media segment amounted to 1,349.6 million euros at end-September 2023, down 1.3% (constant perimeter).

Media advertising revenues stood at 1,097.2 million euros, a 1.6% decrease (constant perimeter), the macro-economic context having impacted the advertising market in the first half.

Within this, the media advertising revenues of MYTF1 pursued their strong dynamic, with a 16.4% year-on-year increase to 68.3 million euros.

Non-advertising media revenues stood at 252.4 million euros, close to the 2022 level (-0.4% at a constant perimeter).

The sector mix and the trends in gross advertising spend (excluding sponsorship) for the first nine months are shown in the following chart.



Source: Kantar Média, 9M 2023 vs. 9M 2022

Current operating profit

Current operating profit in the Media segment stood at €191.4 million, down €18.3 million over one year, generating a current operating margin of 14.2% (-0.4 pt year-on-year).

Media audience ratings[1]

At end-September 2023, average daily viewing time amounted to 3 hours and 9 minutes among individuals aged 4+, down six minutes year-on-year. In a fast-growing attention market, particularly owing to the development of video consumption offerings which serve to complement linear television, daily viewing time among the 25-49-year-olds target audience was 2 hours and 12 minutes, down 14 minutes year-on-year.

Since April 2020, the Médiamat audience metrics have included viewing outside the home on any device (such as TV sets in second homes, bars, workplaces and railway stations, computers and smartphones, etc.). TV viewing at home on other Internet-enabled screens (computers, tablets, smartphones, etc.) will be incorporated in Médiamétrie audience metrics from January 2024.

Each week, almost 50 million French people view TF1's content, providing the Group with unsurpassed coverage in the media segment.

In an environment involving major sports events, with the Rugby World Cup broadcast during the third quarter, TF1 maintained its

[1] *Source: Médiamétrie – Médiamat*

leadership and continued to attract and engage with a majority of French people through its premium and diversified offering, as demonstrated by the high audience levels, which were slightly up on targets at end-September 2023:

- 33.3% audience share among W<50PDM (+0.1 pt year-on-year);
- 30.1% audience share among 25-49-year-olds (+0.4 pt year-on-year).

TF1

TF1 delivered a solid performance in the first nine months of 2023, with a premium line-up including the return of major franchises such as *HPI*, *Les Bracelets rouges* and the Rugby World Cup. The flagship channel maintained its leadership in commercial targets. At end-September 2023, TF1 recorded a 20.1% audience share among 25-49-year-olds (up 0.6 pt year-on-year) and 22.9% among W<50PDM (up 0.7 pt year-on-year), representing a gap with its number-one competitor (+9.2 pts) which increased from the first half.

As of 30 September 2023, the channel held 49 of the top 50 ratings among 25-49-year-olds, and 49 of the top 50 ratings among W<50PDM, thanks to its extensive line-up:

- **Sport:** TF1 recorded its largest audience of the year for the opening match of the Rugby World Cup between France and New Zealand, with 15.6 million viewers, i.e. 77.4% audience share among 25-49-year-olds.

- **News:** The news offering is considered to be a reference and reinforced its legitimacy during the period, as illustrated by the Déclaration du Président de la République (French President's address to the nation) on 22 March, which was watched by 6.2 million viewers. The special news bulletin "Tous derrière les Bleus" ("All cheering on les Bleus") on Friday 8 September united 10.6 million viewers, a record news audience for 2023.

- **French drama:** The TF1 group is more committed than ever to putting French drama at the heart of its editorial strategy. The excellent second-quarter performance of season 3 of *HPI*, averaging 9.1 million viewers and even reaching up to 10.4 million, i.e. 53.9% audience share among W<50PDM – a record audience to date for a work of drama – demonstrates the relevance of this strategy. TF1 programmed other household dramas, as illustrated by *Balthazar*, with up to 6.9 million viewers, i.e. 25.9% audience share among W<50PDM as well as *Les Randonneuses*, which attracted up to 5.5 million viewers with 28.1% audience share among W<50PDM.

- **Entertainment:** At end-September, TF1's iconic entertainment programmes again stood out for their ability to attract viewers and create events, as shown by the new show of *Les Enfoirés*, which achieved the top first-quarter audience for a work of entertainment with 8.5 million viewers, i.e. 57.3% audience share among W<50PDM. The main entertainment brands confirmed their ability to engage with audiences, as reflected in the performance of *Koh-Lanta*, attracting up to 5.4 million viewers, with 44.7% audience share among W<50PDM, and *The Voice*, which recorded up to 5.4 million viewers, i.e. 37.2% audience share among W<50PDM.

- **Movies:** The movie offering remained very popular in Q3 2023, particularly among family audiences, as demonstrated by the performance of the French film *Pourris gâtés*, achieving 42.8% audience share among W<50PDM.

MYTF1 streaming platform confirmed its growth potential: **MYTF1 averaged 27.4 million[1] streamers** during the first eight months, with **682.9 million streamed hours, representing**

[1] Médiamétrie's TV audience measurement across four screens - January to August 2023.

an 8% increase versus 2022 and twice as much as the market which is growing at 4%.

DTT channels

During the first nine months of 2023, the DTT division of the TF1 group, made up of TMC, TFX, TF1 Séries Films and LCI, sustained its leading position in commercial targets despite a slight decline, with 10.4% audience share among W<50PDM and 10.0% audience share among 25-49-year-olds.

TMC

In the first nine months of 2023, TMC continued to significantly outperform competing DTT channels in terms of main advertising targets, with audience share of 4.2% among W<50PDM and 4.3% among 25-49-year-olds.

This summer, the channel's performance was fuelled by family movie evening slots (up to 1.3 million viewers for *L'Opération Corned Beef*) and characterised by the access prime-time broadcast of *Burger Quiz* (up to 7% audience share among 25-49-year-olds).

Quotidien remained the number-one Talk-Show, with 1.8 million viewers.

Compared to other DTT channels, TMC enjoys a unique movie line-up in prime-time slots, with up to 1.0 million viewers for *Les Gardiens de la Galaxie* and a record DTT performance for the *Taxi* saga, this year with *Taxi 5*, achieving 13% audience share among 25-49-year-olds.

TFX

Over the first nine months, TFX confirmed its 2022 performance with 3.5% audience share among W<50PDM (stable year-on-year).
Regarding time slots, the all-new programme *Détox ta maison* achieved up to 7% audience share among W<50PDM.

The movie line-up continues to prove popular, with up to 1.1 million viewers tuning in for *Sales gosses* (12% audience share among W<50PDM).

Sporting events are positively impacting the programming schedule as the channel recorded its second-best audience for 2023 with 1.1 million viewers watching the World Men's Handball Championship quarter final match between France and Germany.

TF1 Séries Films

During the first nine months of 2023, TF1 Séries Films continued its strong performance, achieving 2.3% audience share among its core target of W<50PDM.

The channel still ranked second among HD DTT channels in its W<50PDM target audience, continuing to attract viewers in the evening slots, particularly with movies, including the *L'arme fatale* saga (up to 0.9 million viewers).

French drama was a standout performer in the channel's schedule with *Balthazar* recording 3% audience share among W<50PDM.

LCI

For the first nine months of 2023, LCI was France's third most-watched news channel, posting audience share of 2.0% among individuals aged 4+, up 0.4 pt year-on-year.

The channel also recorded higher audiences on commercial targets, up 0.2 pt among 25-49-year-olds with a 0.4 pt increase among ABC1s.

At end-September 2023, LCI remained the no. 1 news channel in terms of daily viewing time for TV owners.

Theme channels (TV Breizh, Histoire TV and Ushuaïa TV)[1]

Up to date, all three of the Group's theme channels recorded high audience ratings:

- TV Breizh again led the Médiamat'Thématik ranking for the sixth consecutive year, with 0.8% audience share among individuals aged 4+. It is also the leading theme channel among W<50PDM for the sixth consecutive

[1] *Audience data from the 45th edition (January 2023 - June 2023) of Médiamat'Thématik.*

audience rating, with 0.8% audience share.

- Ushuaïa TV doubled its audience share among individuals aged 4+ in two years to 0.16%.
The channel continued its events-focused programming with themed programming cycles (bird month, Africa month, ocean month) as well as iconic productions and acquisitions (*Terres d'urgence* with Guy Lagache, *Voyageurs solidaires* featuring Stéphane Basset, *Echappées belles*, *Des trains pas comme les autres*).

- Histoire TV posted record ratings, notching up 0.18% audience share among individuals aged 4+. It is the leading History channel, with the largest audience share among individuals aged 4+ at 0.18%, up 26% year-on-year.
The channel also continued its events-driven line-up with thematic cycles linked to key anniversaries in history (Ukraine, coronation of Charles III) as well as iconic productions and acquisitions (*Jean Moulin, cet illustre méconnu*).

e-TF1

The TF1 group is pursuing its digital non-linear expansion strategy in line with and benefiting from synergies with linear activities.

MYTF1's revenue was up significantly year-on-year compared to the first nine months of 2022, mainly driven by advertising revenue and the growth of MYTF1 MAX.

TF1 Production

Revenue was up and propelled by an increase in deliveries, notably with an additional episode of *Ninja Warrior* and a reality TV show (*Time to Love*).

Music/events

Revenue was impacted by an unfavourable base effect on live shows, resulting from the *Indochine* concert in 2022.

E-commerce

E-commerce revenue was down in France and internationally, particularly due to milder weather which penalised *Gambettes Box* sales.

TF1 Business Solutions

Business was driven in particular by TF1 Factory with exceptional production during the first half for a FIFA event.

TF1 Films Production

Revenue was up slightly year-on-year, with 10 films released by end-September 2023.

Websites

As a reminder, the Unify Publishers digital business was sold in Q4 2022.

Newen Studios[1]

Newen Studios delivered revenues of 197.9 million euros at end-September 2023, a decline of 33.6%.

It reflects the ongoing tough comparison base relative to 2022, with the end of the popular soap opera, 'Plus belle la vie', for France Télévisions and of the activity with SALTO following its closure in February 2023, accentuated by the delivery in Q3 2022 of flagship series '*Liaison*' (Apple TV) and '*Marie-Antoinette*' (Canal+).

The current operating profit of Newen Studios amounted to 12.6 million euros, representing a margin of 6.4%, down compared to the first nine months of 2022.

[1] *At end-June 2022, the Games businesses (TF1 Games and Dujardin) sold in April 2022 were kept in the history of the Newen Studios segment.*

1.6 Corporate social responsibility

Sustainable society

Newen Eco-production Charter

Newen Studios unveiled its Eco-production Charter for producers, which was established by its Green Committee. Following the recommendations of the non-profit Ecoprod, Newen Studios' Charter is designed as a guide to implement an eco-production strategy for all Newen creations, from pre-production to the final cut. By 2030, Newen Studios has pledged to reduce its carbon footprint and employee air travel by 30% and 20% respectively, while halving waste out to 2024.

Ecoprod Pioneer Label

The Ecoprod Pioneer Label assesses the eco-production of audiovisual works. Its final score is based on a framework of 81 actions with criteria set by production professionals together with environmental specialists. Eligible productions must achieve a score of 65% and meet additional compulsory criteria. The latter include the production's carbon footprint and the appointment of an eco-production officer. After obtaining certification with AFNOR (the French National Organisation for Standardisation), 12 productions were awarded the label for the first time, including *Askip*, a real-life drama produced by CAPA Drama (Newen group).

Special line-up on TFOU – European Sustainable Development Week 2023

During European Sustainable Development Week 2023, TFOU created a line-up to raise children's awareness of environmental protection and the ecological transition. The line-up featured 20 episodes of animated series such as *Barbapapa en Famille*, *Gus Le Chevalier Minus*, *Super Wings and Paw Patrol*, *La Pat'Patrouille* as well as a one-off *Action* episode of *Miraculous : Les Aventures de Ladybug et Chat Noir* with the protagonists, Marinette and Adrien, and their classmates

actively fighting plastic pollution in Paris.

Cycle *Tou.te.s engagé.e.s* (Committed together series) on Ushuaïa TV

An increasing number of citizens – whether students, lawyers, business leaders or journalists – are committed to protecting our planet, warning against the impact of climate change, pollution, deforestation and species extinction. September saw **Ushuaïa TV** document the actions of young activists capable of life-changing decisions, to the point of risking their own lives in defence of universal values, with the broadcast of Cyril Dion's *Un monde nouveau* documentary series in addition to the films *Ordinaire* and *Ruptures*.

Solidarity

ELA benefit concert

TF1 organised a benefit concert for the European Leukodystrophy Association (ELA), intended as a career retrospective of Florent Pagny, an honorary member of ELA for 25 years. ELA helps families with children suffering from leukodystrophies and also supports medical research. Filmed this August at La Seine Musicale, the concert – *Avec Florent Pagny, tout le monde ELA* (*Everyone behind Florent Pagny and ELA*) – provided the artist an opportunity to publicly address his health and thank the medical teams helping him in his battle with lung cancer over recent months.

Morocco earthquake

In the wake of the magnitude 7 quake that caused considerable damage in Morocco, claiming the lives of 2,500 people, the Group's various editorial staff responded immediately with teams assigned to the country and through the broadcast of appeals for donations from multiple French charities (Secours Populaire, Fondation de France, Croix-Rouge) to assist the victims. TF1 also screened appeals for donations on its social networks, its websites, and on set in programmes such as *Le Mag de La Coupe du Monde de Rugby.*

Alzheimer's

To celebrate World Alzheimer's Day on 21 September, for the sixth consecutive year, the TF1 group supported the French Foundation for Medical Research (FRM) on its channels, collecting donations for the benefit of research on Alzheimer's disease. Appeals for donations featured in several programmes including *Téléfoot*, *Le Mag de la Coupe du Monde de Rugby*, *Les 12 Coups de Midi, Petits plats en équilibre*, *Le 13H*, *le bulletin météo* and *50' Inside*.

Inclusion

Women's sport

TF1 group has acquired exclusive broadcasting rights to the UEFA Women's EURO 2025 championship, hosted in Switzerland in summer 2025, and the 2025 Women's Rugby World Cup to be held in England in the autumn of the same year. This new agreement reaffirms TF1's commitment to carrying free-to-air coverage of the biggest competitions in European and international sport and furthers the Group's ambitions to promote the visibility of women's sport.

Bracelets rouges (Red Band Society)

After a three-year hiatus, *Les Bracelets rouges* is back on TF1 viewers' screens since September 2023. In its fourth season, the series spotlights teenagers afflicted with lengthy illness and youngsters suddenly facing up to their disability. The drama unfolds in the paediatric ward of the Leonardo da Vinci hospital in Arcachon (southwest France).

1.7 Human resources update

As of 30 September 2023, the TF1 Group had 2,868 employees on permanent contracts.

1.8 Outlook

In the media segment, the advertising market in the Second half could return to a similar level to that of 2022.

Against this backdrop, TF1 Group revenues will benefit from the broadcast of the final stages of the Rugby World Cup in Q4, as well as the return of major franchises such as the talent show, 'Star Academy', with both a high linear and streaming appeal.

- In linear, TF1 group will continue to develop an increasingly high-quality offer of events, series, and general entertainment to consolidate its differentiated reach and maximise the value of its advertising inventories, while pursuing its successful efforts to control programming costs.
- The MYTF1 streaming platform will pursue its ambition to be the benchmark French free-to-view streaming service, leveraging the synergies with the Group's unparalleled content line-up, and maximising the value of its inventories through a reinforced data strategy.

After delivering numerous flagship projects in 2022, 2023 represents a year of transition for Newen Studios during which it will leverage its strong talent pool to develop new projects to underpin growth in the years ahead.

In this context, the Group's objectives are confirmed:

- Further cement its leadership position and maintain a broadly stable current operating margin from activities in 2023.
- Generate strong free cash flow, underpinning a shareholder remuneration policy of a growing or stable dividend in the coming years.

1.9 Governance

The governance of TF1 Group has not changed over the period.

1.10 Diary dates

- 15 February 2024: 2023 full-year results
- 30 April 2024: 2024 first-quarter results
- 25 July 2024 : 2024 first-half results
- 30 October 2024 : 2024 nine-month results

These dates may be subject to change.

2. Condensed consolidated Financial Statements – First nine months of 2023

The statutory auditors have conducted a review of the financial statements, on which they have issued an unqualified report.

Consolidated income statement

(€m)	9 months 2023	9 months 2022	Q3 2023	Q3 2022	Full year 2022
Revenue	**1,547.5**	**1,740.3**	**509.4**	**553.4**	**2,507.7**
Other income from operations	15.1	45.6	2.5	25.4	46.9
Purchases consumed	(537.6)	(598.0)	(198.0)	(192.6)	(885.2)
Staff costs	(363.7)	(385.6)	(118.8)	(127.1)	(530.9)
External expenses	(353.4)	(381.4)	(128.6)	(136.5)	(550.4)
Taxes other than income taxes	(67.0)	(72.5)	(20.6)	(19.9)	(103.2)
Net charges for depreciation, amortisation and impairment losses on property, plant & equipment and intangible assets	(207.9)	(317.8)	(62.4)	(155.4)	(445.9)
Net depreciation and impairment expense on right of use of leased assets	(13.0)	(16.3)	(4.4)	(4.8)	(21.1)
Charges to provisions and other impairment losses, net of reversals due to utilisation	21.7	17.2	12.6	7.4	6.2
Other current operating income	241.5	392.8	79.4	156.7	615.9
Other current operating expenses	(82.3)	(185.6)	(20.5)	(56.6)	(323.8)
Current operating profit/(loss)	**200.9**	**238.7**	**50.6**	**50.0**	**316.2**
Non-current operating income	7.2	-	(0.6)	-	-
Non-current operating expenses	(31.6)	(15.0)	(4.6)	(8.1)	(15.0)
Operating profit/(loss)	**176.5**	**223.7**	**45.4**	**41.9**	**301.2**
Financial income	14.4	1.3	6.1	0.7	3.1
Financial expenses	(4.4)	(3.7)	(1.5)	(2.3)	(5.7)
Income from net surplus cash/(cost of net debt)	**10.0**	**(2.4)**	**4.6**	**(1.6)**	**(2.6)**
Interest expense on lease obligations	(1.9)	(2.3)	(0.6)	(0.7)	(2.9)
Other financial income	1.6	2.8	1.3	1.3	2.2
Other financial expenses	(7.4)	(9.5)	(2.6)	(1.7)	(11.0)
Income tax expense	(40.7)	(39.8)	(11.3)	(7.1)	(56.3)
Share of net profits/(losses) of joint ventures and associates	0.9	(16.4)	1.3	(4.4)	(48.6)
Net profit/(loss) from continuing operations	**139.0**	**156.1**	**38.1**	**27.7**	**182.0**
Net profit/(loss) from discontinued operations	**-**	**-**	**-**	**-**	**-**
Net profit/(loss) for the period	**139.0**	**156.1**	**38.1**	**27.7**	**182.0**
Net profit/(loss) attributable to the Group	***139.0***	***150.5***	***37.7***	***24.0***	***176.1***
Net profit/(loss) attributable to non-controlling interests	***-***	***5.6***	***0.4***	***3.7***	***5.9***
Basic earnings per share from continuing operations (€)	0.66	0.71	0.18	0.11	0.84
Diluted earnings per share from continuing operations (€)	0.66	0.71	0.18	0.11	0.83

Statement of recognised income and expense

(€m)	9 months 2023	9 months 2022	Q3 2023	Q3 2022	Full year 2022
Net profit/(loss) for the period	**139.1**	**156.1**	**38.2**	**27.7**	**182.0**
Items not reclassifiable to profit or loss			**-**	**-**	
Actuarial gains/(losses) on post-employment benefits	-	7.8	-	2.1	7.2
Fair value remeasurement of investments in equity instruments	0.5		0.1	-	(0.2)
Taxes on items not reclassifiable to profit or loss	(0.1)	(2.0)	-	(0.6)	(1.8)
Share of non-reclassifiable income and expense of joint ventures and associates			-	-	
			-	-	
Items reclassifiable to profit or loss			**-**	-	
Remeasurement of hedging assets		0.9	-	1.1	2.3
Translation adjustments	(0.9)	4.4	0.1	2.4	1.6
Taxes on items reclassifiable to profit or loss		(0.2)	-	(0.2)	(0.6)
Share of reclassifiable income and expense of joint ventures and associates			-	-	
Income and expense recognised directly in equity	**(0.5)**	**10.9**	**0.2**	**4.8**	**8.6**
Total recognised income & expense	**138.6**	**167.0**	**38.4**	**32.5**	**190.6**
Recognised income & expense attributable to the Group	138.6	161.4	38.0	28.8	184.7
Recognised income & expense attributable to non-controlling interests	-	5.6	0.4	3.7	5.9

Consolidated cash flow statement

(€m)	Note	9 months 2023	9 months 2022	Full year 2022
Net profit/(loss) from continuing operations		139.1	156.1	182.0
Net charges to/(reversals of) depreciation, amortisation, impairment of property, plant and equipment and intangible assets, and non-current provisions		199.8	322.6	449.8
Depreciation, impairment and other adjustments on right of use of leased assets		17.8	16.1	20.7
Other non-cash income and expenses		*(42.7)*	*(53.7)*	(86.8)
Gains and losses on asset disposals		*2.4*	*(0.2)*	7.5
Share of net profits/(losses) of joint ventures and associates, net of dividends received		*(0.9)*	*19.8*	49.4
Dividends from non-consolidated companies		-	*(0.1)*	(0.2)
Income taxes paid		*(40.5)*	*(53.9)*	(64.8)
Income taxes, including uncertain tax positions		40.7	*39.8*	56.3
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid		**315.7**	**446.5**	**613.9**
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations		(8.1)	4.7	5.5
Changes in working capital requirements related to operating activities (including current impairment and provisions) [(1)]		57.6	(49.1)	(156.1)
Net cash generated by/(used in) operating activities		**365.2**	**402.1**	**463.3**
Purchase price of property, plant and equipment and intangible assets [(2)]		(184.0)	(213.1)	(312.6)
Proceeds from disposals of property, plant & equipment and intangible assets		0.1	0.1	1.2
Net liabilities related to property, plant & equipment and intangible assets		(8.0)	(6.7)	1.9
Purchase price of non-consolidated companies and other investments		-	(0.8)	(0.8)
Proceeds from disposals of non-consolidated companies and other investments		0.3	-	-
Net liabilities related to non-consolidated companies and other investments		-	-	-
Purchase price of investments in consolidated activities		*(1.3)*	*(16.7)*	*(20.1)*
Proceeds from disposals of consolidated activities		-	*83.5*	*163.9*
Net liabilities related to consolidated activities		*(0.6)*	*0.8*	*0.7*
Other changes in scope of consolidation (cash of acquired or divested entities)		*0.3*	*(13.3)*	*(11.8)*
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies		(8.4)	(18.6)	(27.5)
Net cash generated by/(used in) investing activities		**(201.6)**	**(184.8)**	**(205.1)**
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders		(2.8)	(18.4)	(20.4)
Dividends paid to shareholders of the parent company	*10*	(105.1)	(94.7)	(94.7)
Dividends paid by consolidated companies to non-controlling interests		(3.3)	(2.2)	(2.3)
Change in current and non-current debt		8.6	16.2	(10.5)
Repayments of lease obligations		(20.2)	(16.4)	(21.3)
Cost of net debt/income from net surplus cash and interest expense on lease obligations		8.2	(5.0)	(5.5)
Other cash flows related to financing activities		-	-	-
Net cash generated by/(used in) financing activities		**(114.6)**	**(120.5)**	**(154.7)**
EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS		**(0.2)**	**0.3**	***0.1***
CHANGE IN NET CASH POSITION		**48.8**	**97.1**	**103.6**
Net cash position at start of period		**483.3**	**379.7**	**379.7**
Net cash flows		48.8	97.1	103.6
Held-for-sale assets and operations		-	(3.5)	
Net cash position at end of period		**532.1**	**473.3**	**483.3**

(1) *Current assets minus current liabilities, excluding (i) taxes and (ii) current debt and financial instruments used to hedge debt, which are classified in financing activities*

(2) *Includes audiovisual rights acquired by the Media and Newen segments, representing net cash outflows of €68.4 million and €88.6 million respectively in the first nine months of 2023 (versus €60.8 million and €114.5 million in the first nine months of 2022).*

Consolidated balance sheet - Assets

ASSETS (€m)	Note	30/09/2023	31/12/2022	30/09/2022
Goodwill	5	734.3	730.2	710.4
Intangible assets		308.3	275.1	271.3
Property, plant and equipment		222.9	231.3	222.5
Right of use of leased assets		64.8	70.3	70.2
Investments in joint ventures and associates	6	12.7	11.7	15.8
Other non-current financial assets		11.3	12.4	16.8
Deferred tax assets		-	-	-
NON-CURRENT ASSETS		1,354.3	1,331.0	1,307.0
Inventories		394.7	404.6	436.1
Advances and down-payments made on orders		169.0	133.5	153.4
Trade receivables		645.5	829.8	601.3
Customer contract assets		-	-	-
Current tax assets		1.4	3.6	6.2
Other current receivables		447.0	452.9	424.5
Financial instruments - Hedging of debt		4.5	2.7	1.8
Other current financial assets		0.2	0.3	1.0
Cash and cash equivalents	7	536.3	484.5	474.5
CURRENT ASSETS		2,198.6	2,311.9	2,098.8
Held-for-sale assets and operations		-	-	156.4
TOTAL ASSETS		3,552.9	3,642.9	3,562.2
Net surplus cash/(net debt)		364.1	325.7	295.6

Consolidated balance sheet – Liabilities and equity

SHAREHOLDERS' EQUITY AND LIABILITIES (€m)	*Note*	30/09/2023	31/12/2022	30/09/2022
Share capital		42.2	42.1	42.1
Share premium and reserves		1,711.1	1,641.5	1,643.5
Translation reserve		2.3	3.2	6.6
Treasury shares		-	-	-
Net profit/(loss) attributable to the Group		139.1	176.1	150.5
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP		**1,894.7**	**1,862.9**	**1,842.7**
Non-controlling interests		(2.1)	0.9	1.8
SHAREHOLDERS' EQUITY		**1,892.6**	**1,863.8**	**1,844.5**
Non-current debt	*7*	**102.4**	**108.0**	**121.4**
Non-current lease obligations	*7*	**53.6**	**58.4**	**59.1**
Non-current provisions	*9*	**32.4**	**41.3**	**39.0**
Deferred tax liabilities		**24.8**	**23.2**	**23.5**
NON-CURRENT LIABILITIES		**213.2**	**230.9**	**243.0**
Current debt	*7*	**67.9**	**50.9**	**56.3**
Current lease obligations	*7*	**11.3**	**15.9**	**15.4**
Trade payables		**575.3**	**702.3**	**598.1**
Customer contract liabilities		**40.2**	**30.8**	**30.8**
Current provisions	*8*	**39.8**	**31.2**	**18.9**
Other current liabilities		**705.6**	**714.1**	**700.7**
Overdrafts and short-term bank borrowings		**4.2**	**1.2**	**1.2**
Current tax liabilities		**-**	**0.1**	-
Financial instruments - Hedging of debt		**2.2**	1.4	0.9
Other current financial liabilities		**0.6**	**0.3**	**3.4**
CURRENT LIABILITIES		**1,447.1**	**1,548.2**	**1,425.7**
Liabilities related to held-for-sale operations		**-**	**-**	**49.0**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**3,552.9**	**3,642.9**	**3,562.2**

Consolidated statement of changes in shareholders' equity

	Note	Share capital & share premium	Reserves related to share capital & retained earnings	Consolidated reserves & profit/(loss) for period	Treasury shares held	Items recognised directly in equity	TOTAL - GROUP	Non-controlling interests	TOTAL
POSITION AT 31/12/2021		**62.3**	**1,050.8**	**715.5**	**-**	**(60.5)**	**1,768.1**	**(1.2)**	**1,766.9**
Movements in the first 9 months of 2022									
Net profit/(loss)				150.5			150.5	5.6	156.1
Income and expense recognised directly in equity						10.9	10.9		10.9
Total comprehensive income		**-**	**-**	**150.5**	**-**	**10.9**	**161.4**	**5.6**	**167.0**
Share capital and reserves transactions, net		-	70.0	(70.0)	-	-	-	-	-
Acquisitions & disposals of treasury shares		-	-	-	-	-	-	-	-
Acquisitions & disposals without loss of control		-	-	(1.1)	-	-	(1.1)		(1.1)
Dividends distributed		-	-	(94.7)	-	-	(94.7)	(2.2)	(96.9)
Share-based payment		-	-	1.5	-	-	1.5	-	1.5
Other transactions (changes in scope of consolidation, other transactions with shareholders, & other items)		-	-	7.5	-	-	7.5	(0.4)	7.1
POSITION AT 30/09/2022		**62.3**	**1,120.8**	**709.2**	**-**	**(49.6)**	**1,842.7**	**1.8**	**1,844.5**
Movements in the fourth quarter of 2022							-		-
Net profit/(loss)		-	-	25.6	-	-	25.6	0.3	25.9
Income and expense recognised directly in equity		-	-	-	-	(2.3)	(2.3)	-	(2.3)
Total comprehensive income		**-**	**-**	**25.6**	**-**	**(2.3)**	**23.3**	**0.3**	**23.6**
Share capital and reserves transactions, net		-	-	-	-	-	-	-	-
Acquisitions & disposals of treasury shares		-	-	-	-	-	-	-	-
Acquisitions & disposals without loss of control		-	-	(0.1)	-	-	(0.1)		(0.1)
Dividends distributed		-	-	-	-	-	-	(0.1)	(0.1)
Share-based payment		-	-	1.5	-	-	1.5		1.5
Other transactions (changes in scope of consolidation, other transactions with shareholders, & other items)		-	-	(4.5)	-	-	(4.5)	(1.1)	(5.6)
POSITION AT 31/12/2022		**62.3**	**1,120.8**	**731.7**	**-**	**(51.9)**	**1,862.9**	**0.9**	**1,863.8**
Movements in the first 9 months of 2022							-		-
Net profit/(loss)		-	-	139.1	-	-	139.1	-	139.1
Income and expense recognised directly in equity		-	-	-	-	(0.5)	(0.5)	-	(0.5)
Total comprehensive income		**-**	**-**	**139.1**	**-**	**(0.5)**	**138.6**	**-**	**138.6**
Share capital and reserves transactions, net		0.1	30.6	(30.6)	-	-	0.1	-	0.1
Acquisitions & disposals of treasury shares		-	-	-	-	-	-	-	-
Acquisitions & disposals without loss of control		-	-	0.5	-	-	0.5	-	0.5
Dividends distributed		-	-	(105.2)	-	-	(105.2)	(3.4)	(108.6)
Share-based payment		-	-	1.1	-	-	1.1	-	1.1
Other transactions (changes in scope of consolidation, other transactions with shareholders, & other items)		-	-	(3.3)	-	-	(3.3)	0.4	(2.9)
POSITION AT 30/09/2023		**62.4**	**1,151.4**	**733.3**	**-**	**(52.4)**	**1,894.7**	**(2.1)**	**1,892.6**

Notes to the condensed consolidated financial statements

1 Significant events

1-1. Digital acceleration plan support package

The TF1 group's 2023 strategic roadmap, built around an ambitious new digital acceleration plan, calls for organisational change that will have an impact in terms of skillsets and job profiles.

To underpin this ambition, the Group has strengthened existing arrangements to support job mobility and retraining by renegotiating an agreement on jobs and career management ("Gestion des Emplois et des Parcours Professionnels" – GEPP), signed on 19 July 2023. These arrangements operate on a voluntary basis; they were presented to trade union representatives and announced to Group employees from May 2023, came into force on 1 September 2023, and will remain open until 31 December 2024.

As of 30 June 2023, the Group recognised a provision (unchanged as of 30 September 2023), measured on the basis of the criteria for the support package and weighted to reflect management's best estimate of the probability of implementation.

These changes have also resulted in the Group incurring additional charges, in particular lease termination costs and professional fees plus – with effect from the third quarter of 2023 – expenses associated with the "LTI Media 2023-2027" exceptional long-term incentive plan.

This plan seeks to lock in the commitment of selected TF1 group managers, and to align their interests with the Group's financial objectives. It involves a mix of performance-related bonuses and consideration-free shares:

- Performance-related bonuses are recognised as an expense in line with the pattern of service rendered by the plan beneficiaries, matched by an employee-related liability.
- The expense recognised under IFRS 2 for the award of the consideration-free shares is recognised in equity (because this is an equity-settled transaction); it is based on the fair value of TF1 shares as of the date of grant (27 July 2023), which also corresponds to the fair value of the Group's obligation.

Collectively, these obligations have led to the Group recognising provisions totalling €31.6 million within "Non-current operating expenses" as of 30 September 2023.

1-2. New agreement with ARCOM

Further to the selection of the TF1 channel by ARCOM (the French broadcasting regulator) on 22 February 2023 in the call for bids for a broadcast licence on digital terrestrial TV (DTT), on 27 April 2023 the Group signed a new agreement with ARCOM that allows the Group to use the DTT frequency from 6 May 2023 for a ten-year period.

1-3. Withdrawal from Salto

The France Télévisions, M6 and TF1 groups announced on 15 February 2023 that they had decided to shut down the Salto platform and initiate its voluntary liquidation.

Salto ceased to provide services to its users on 27 March 2023.

As of 31 December 2022, the accumulated losses since incorporation were offset first against current account cash advances to Salto (treated as a component of the TF1 group's investment in Salto), with the excess recognised as a provision for charges. That position remained unchanged as of the third quarter of 2023.

2 Accounting principles and policies

2-1. Declaration of compliance and basis of preparation

The condensed interim consolidated financial statements as of 30 September 2023 include the financial statements of TF1 SA and its subsidiaries and joint ventures, and the TF1 group's interests in associated undertakings. They were prepared in accordance with IAS 34, "Interim Financial Reporting", a standard issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. Because they are condensed, these financial statements do not include all the information required under the standards issued by the IASB, and should be read in conjunction with the full-year financial statements of the TF1 group for the year ended 31 December 2022 as presented in the Universal Registration Document filed with the AMF on 9 March 2023 as no. D.23-0081.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 September 2023. Those standards (collectively referred to as "IFRS") comprise International Financial Reporting Standards (IFRSs); International Accounting Standards (IASs); and interpretations issued by the IFRS Interpretations Committee (IFRS IC), the successor body to the Standing Interpretations Committee (SIC). As of 30 September 2023, the TF1 group has not early adopted any standard or interpretation not yet endorsed by the European Union.

The financial statements are presented in millions of euros and comprise the balance sheet, the income statement, the statement of recognised income and expense, the statement of changes in shareholders' equity, the cash flow statement, and the notes to the financial statements.

2-2. New and amended IFRS accounting standards and interpretations

2-2-1. New standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption in periods beginning on or after 1 January 2023

TF1 group applied the same standards, interpretations and accounting policies in the nine months ended 30 September 2023 as were applied in its consolidated financial statements for the year ended 31 December 2022, except for changes required to meet new IFRS requirements applicable with effect from 1 January 2023 (see below).

Amendments to IAS 12
On 7 May 2021, the IASB issued amendments to IAS 12 on the initial recognition of deferred taxes on assets and liabilities arising from a single transaction. The amendments apply to transactions in which an entity recognises both an asset and a liability, such as when accounting for a lease or a decommissioning obligation, and were endorsed by the European Union on 11 August 2022. An impact analysis is ongoing, and is due to be completed during 2023. At this stage, the impact on the Group would appear to be immaterial.

Global Minimum Tax (Pillar 2)
The TF1 Group is within the scope of the Global Minimum Tax, and has initiated a project to compile the data needed to quantify the impact. However, it is unlikely to be material at the level of the taxes actually paid by the Group (€518 million in 2022, €397 million in 2021).

The non-recognition exception for deferred taxes arising under Pillar 2, as permitted under the amendment to IAS 12 ("Income Taxes") approved by the IASB in May 2023, is applied by the Group.

2-3. Changes in accounting policy

The Group has not made any changes in accounting policy during 2023 to date.

2-4. Use of estimates

Preparation of the condensed consolidated financial statements requires the TF1 group to make various estimates and use various assumptions regarded as realistic or reasonable. Subsequent events or circumstances may result in changes to those estimates or assumptions, which could affect the value of the Group's assets, liabilities, equity or net profit.

The principal accounting policies requiring the use of estimates are:

- impairment of audiovisual rights (whether recognised as intangible assets or carried as inventory);
- impairment of goodwill (where there is evidence of impairment);
- impairment of programmes and broadcasting rights;
- measurement of provisions.

Those estimates were made using the same valuation approaches as were used in preparing the financial statements for the year ended 31 December 2022. As of the date on which the financial statements were closed off by the Board of Directors, management believes that as far as possible, those estimates incorporate all information available to it.

2-5. Seasonal trends

Advertising revenues are traditionally lower in January/February and July/August than during the rest of the year. The extent of those seasonal fluctuations varies from year to year. As required under IFRS, revenue for interim periods is recognised on the same basis as is used in preparing the annual financial statements.

3 Operating segments

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of (i) the products and services sold and (ii) the end customer. This segmentation serves as the basis for the presentation of internal management data, and is also used by the Group's operating decision-maker to monitor performance. The operating segments reported by the Group are those reviewed by the chief operating decision-maker.
Management assesses segmental performance on the basis of current operating profit. Segmental results, assets and liabilities include items directly or indirectly attributable to the relevant segment. Segmental capital expenditure represents total acquisitions of property, plant and equipment and intangible assets as recognised in the corresponding balance sheet line items. Inter-segment sales and transfers are conducted on an arm's length basis.

Media
The Media segment includes all of the Group's TV channels and content creation activities, and subsidiaries that produce and acquire audiovisual rights for the Group's TV channels in line with French broadcasting industry regulations. Revenues from such activities derive mainly from the sale of advertising space through individually-negotiated space-buying deals and programmatic ad sale auctions; they also include revenue from making content and services from the Group's TV channels available to cable, satellite and ADSL operators, and from interactivity embedded within broadcast programmes. The Media segment also includes entertainment activities (music, live shows, licences, artist support) that add value to the Group's audiovisual content.

Note that the Web Publishers business and the digital agency/marketing activities carried on by Ykone and Gamned, which were previously part of the Media segment, were divested in 2022 as explained in Note 1 ("Significant events") to our consolidated financial statements for the year ended 31 December 2022.

Newen Studios

This segment comprises content subsidiaries whose activities are primarily focused on producing, acquiring, developing and distributing audiovisual rights (films, drama, TV movies, cartoons, documentaries, unscripted shows, etc) for exploitation independently of the Group's broadcasting operations.

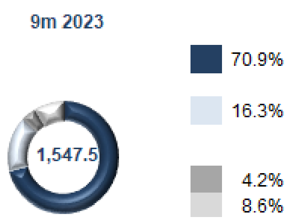
Revenues are derived from fees for the sale of broadcasting rights and all other exploitation rights in France or internationally.

(€m)	MEDIA		NEWEN STUDIOS		TOTAL TF1 GROUP	
SEGMENTAL INCOME STATEMENT	**9 months 2023**	**9 months 2022**	**9 months 2023**	**9 months 2022**	**9 months 2023**	**9 months 2022**
Segment revenue	1,356.5	1,452.7	232.4	330.1	1,588.9	1,782.8
Elimination of inter-segment transactions	(6.9)	(10.5)	(34.5)	(31.9)	(41.3)	(42.4)
GROUP REVENUE CONTRIBUTION	**1,349.6**	**1,442.2**	**197.9**	**298.2**	**1,547.5**	**1,740.3**
of which Advertising revenue	*1,097.2*	*1,143.2*	*0.0*	*0.2*	*1,097.2*	*1,143.4*
of which Other revenue	*252.4*	*298.9*	*197.9*	*298.0*	*450.3*	*596.9*
CURRENT OPERATING PROFIT FROM ACTIVITIES (COPA)	**191.4**	**209.7**	**12.6**	**33.5**	**204.0**	**243.2**
CURRENT OPERATING PROFIT/(LOSS)	**191.4**	**208.6**	**9.5**	**30.1**	**200.9**	**238.7**
% operating margin on Group contribution	*14.2%*	*14.5%*	*4.8%*	*10.1%*	*13.0%*	*13.7%*
Interest expense on lease obligations	(0.9)	(1.3)	(1.1)	(1.0)	(1.9)	(2.3)
Share of net profits/(losses) of joint ventures and associates	2.0	(17.0)	(1.1)	0.6	0.9	(16.4)

Starting in 2023, the TF1 group is publishing a new indicator, "Current operating profit from activities" (COPA). This represents current operating profit before amortisation and impairment of intangible assets recognised in acquisitions. Comparatives for 2022 are presented in the table below for information purposes, for the Group as a whole and by segment.

4 Analysis of revenue

TF1 group consolidated revenue for the first nine months of 2023 breaks down as follows:



(€m)	9m 2023	9m 2022	Chg €m	Chg %
Advertising revenue	1,097.2	1,143.2	(46.0)	-4%
of which Digital advertising revenue (1)	*74.3*	*92.6*	*(18.3)*	*-20%*
Other revenue	252.4	298.9	(46.5)	-16%
Media	**1,349.6**	**1,442.1**	**(92.5)**	**-6%**
Newen - France	64.7	146.7	(82.0)	-56%
Newen - Other countries	133.2	151.5	(18.3)	-12%
Newen Studios	**197.9**	**298.2**	**(100.3)**	**-34%**
Total revenue	**1,547.5**	**1,740.3**	**(192.8)**	**-11%**

(1) *This aggregate includes My TF1 advertising revenue of €68.3 million as of September 30, 2023, and €58.7 million as of September 30, 2022. In 2022, this indicator included advertising revenue from the Web Publisher business.*

There were no material exchanges of goods or services in 2023 to date or in 2022, and there is no material revenue that is contingent on a performance obligation that pre-dates the current reporting period.

5 Depreciation and amortisation expenses (excluding IFRS 16 right-of-use assets)

The reduction in net depreciation and amortisation expenses (excluding IFRS 16 right-of-use assets), from €317.9 million in the first nine months of 2022 to €207.9 million in the first nine months of 2023, relates mainly to Newen Studios (impact: €95 million) as a result of significant production deliveries in 2022.

6 Other current operating income and expenses

The reduction in "Other current operating income and expenses" from €207.2 million in the first nine months of 2022 to €159.2 million in the first nine months of 2023 also relates mainly to Newen Studios (impact €40.2 million), reflecting a significantly higher level of productions in progress in 2022 than in 2023.

7 Goodwill

In accordance with the revised IFRS 3 the TF1 group has, for acquisitions made during the period, elected not to remeasure the non-controlling interests at fair value, as a result of which only the share of goodwill attributable to the Group is reported in the balance sheet (partial goodwill method).

(€m)	**Media**	**Newen Studios**	**TOTAL**
Goodwill at 1 January 2022	**586.1**	**213.6**	**799.7**
Acquisitions [1]	-	9.8	9.8
Disposals [2]	(60.5)	-	(60.5)
Translation adjustments	-	1.1	1.1
Other adjustments	-	0.3	0.3
Reclassifications [3]	(40.0)	-	(40.0)
Impairment	-	-	-
Goodwill at 30 September 2022	**485.6**	**224.8**	**710.4**
Goodwill at 1 January 2023	**500.6**	**229.6**	**730.2**
Acquisitions [4]	-	2.6	2.5
Disposals	-	-	-
Translation adjustments	-	(0.2)	(0.2)
Other adjustments	-	-	-
Reclassifications	-	1.8	1.8
Impairment	-	-	-
Goodwill at 30 September 2023	**500.6**	**233.8**	**734.3**

(1) In the second quarter of 2022, the TF1 group acquired 60% of the IndaloMedia group (Spain), a producer of entertainment programmes, generating goodwill of €4.8 million. In the third quarter of 2022, the TF1 group acquired 51% of the Rise Film group, a UK-based documentary and drama producer, generating provisional goodwill of €5.0 million.

(2) TF1 group sold the Gamned entities in the second quarter of 2022, and the Ykone entities in the third quarter of 2022. The sale was identified as falling within the scope of IFRS 3, and resulted in the derecognition of goodwill.

(3) In the second quarter of 2022, the TF1 group signed an agreement with Reworld Media with a view to the sale of the TF1 group's Web Publisher operations in the fourth quarter of 2022. Consequently, all of the related assets and liabilities were reclassified to "Held-for-sale assets and operations" and "Liabilities related to held-for-sale operations", in accordance with IFRS 5.

(4) In the third quarter of 2023, the TF1 group acquired 51% of the Félicita group, a French film and drama production company, generating provisional goodwill of €2.7 million.

8 Investments in joint ventures and associates

The table below gives details of investments in joint ventures and associates:

(€m)	Extension TV 50%	Salto 33.33%	Other	TOTAL
1 January 2022	**9.6**	**-**	**6.9**	**16.5**
Share of profit/(loss) for the period	0.1	(18.2)	(0.8)	**(18.9)**
Provision for impairment	-	-	-	**-**
Dividends paid	(0.8)	-	-	**(0.8)**
Changes in scope of consolidation and reclassifications		18.2	0.7	**18.9**
Provision for risks	-	-		**-**
30 September 2022	**8.9**	**-**	**6.8**	**15.7**
1 January 2023	**5.5**	**-**	**6.2**	**11.7**
Share of profit/(loss) for the period	0.4	2.2	(1.7)	**0.9**
Provision for impairment	-	-	-	**-**
Dividends paid	-	-	-	**-**
Changes in scope of consolidation and reclassifications	-	(2.2)	2.3	**0.1**
Provision for risks	-	-	-	**-**
30 September 2023	**5.9**	**-**	**6.8**	**12.7**

(1) *In 2023 (as in 2022), Salto was financed essentially through current account advances from its shareholders (effectively quasi-equity). Consequently, the advance to Salto is recognised as an investment in a joint venture to the extent of Salto's net loss for the period, with the balance recognised in "Non-current financial assets".*

9 Definition of "Net surplus cash/(net debt)"

"Net surplus cash/(net debt)" is obtained by aggregating the following items:

- cash and cash equivalents;
- overdrafts and short-term bank borrowings;
- non-current and current debt; and
- financial instruments (hedging of debt measured at fair value).

"Net surplus cash/(net debt)" as reported by the TF1 group excludes non-current and current lease obligations.

The table below provides an analysis of "Net surplus cash/(net debt)", as defined above:

(€m)	31/12/2022	Translation adjustments	Changes in scope of consolidation	Cash flows (1)	Changes in fair value via equity or profit/loss	Other movements	30/09/2023
Cash and cash equivalents	484.5	(0.2)	1.2	50.8	-	-	536.3
Financial assets used for treasury management purposes	-					-	-
Overdrafts and short-term bank borrowings	(1.2)	-	(0.9)	(2.0)	-	(0.1)	(4.2)
Available cash	**483.3**	**(0.2)**	**0.3**	**48.8**	**-**	**(0.1)**	**532.1**
Interest rate derivatives - assets	2.7	-	-	-	-	1.8	4.5
Interest rate derivatives - liabilities	(1.4)	-	-	-	-	(0.8)	(2.2)
Fair value of interest rate derivatives	**1.3**	**-**	**-**	**-**	**-**	**1.0**	**2.3**
Non-current borrowings	(108.0)	0.2	(3.9)	(2.7)	(4.0)	16.0	(102.4)
Current debt excluding overdrafts and short-term bank borrowings	(50.9)	-	-	(5.9)	(0.2)	(10.9)	(67.9)
Total debt	**(158.9)**	**0.2**	**(3.9)**	**(8.6)**	**(4.2)**	**5.1**	**(170.3)**
Net surplus cash/(net debt)	**325.7**	**-**	**(3.6)**	**40.2**	**(4.2)**	**6.0**	**364.1**
Lease obligations (2)	(74.3)	-	-	20.2		(10.8)	(64.9)
Net surplus cash/(net debt) including lease obligations	**251.4**	**-**	**(3.6)**	**60.4**	**(4.2)**	**(4.8)**	**299.2**

(1) *The net cash outflow of €8.6 million shown within "Net cash generated by/(used in) financing activities" in the cash flow statement for 2023 comprises a cash outflow of €11.7 million and a cash inflow of €3.1 million.*

(2) *Other movements in lease obligations, amounting to €10.8 million, mainly comprise the Group's withdrawal from an office building in Boulogne-Billancourt covered by a property rental agreement that qualifies as a lease within the meaning of IFRS 16.*

As of 30 September 2023, TF1 had confirmed bilateral bank credit facilities of €884 million, including €184 million for Newen. Drawdowns under those facilities as of that date amounted to €71 million, all of which related to the Newen facility.

The TF1 group's undrawn confirmed facilities are backed up by a cash pooling agreement with the Bouygues Group.
A reconciliation between the cash position in the cash flow statement and the "Cash and cash equivalents" line in the balance sheet is presented below:

(€m)	30/09/2023	31/12/2022
Cash and cash equivalents in the balance sheet	536.3	484.5
Cash of held-for-sale operations	-	-
Treasury current account credit balances	(0.1)	-
Short-term bank borrowings	(4.1)	(1.2)
Total cash position at period-end per the cash flow statement	**532.1**	**483.3**

10 Current provisions

Accounting policy

As stated in Note 7-3-3 ("Current provisions") to the annual consolidated financial statements for the year ended 31 December 2022, provisions are recorded when there is a legal or constructive obligation to a third party arising from a past event; the obligation will certainly or probably result in an outflow of resources with no corresponding inflow of resources; and the amount of the outflow can be measured reliably. Provisions are reviewed at the end of each reporting period, and adjusted where necessary to reflect the best estimate of the obligation as of that date.

Event occurring during the period
As stated in Note 1, "Significant events", the Group has during 2023 embarked upon a digital acceleration strategy accompanied by a resource optimisation plan, which has resulted in the recognition of a provision for the new "Gestion des Emplois et des Parcours Professionnels" (GEPP) agreement.
The provision recognised in the financial statements as of 30 September 2023 was measured on the basis of the following criteria and estimates:
- an agreement that offers, on a voluntary basis, internal and external retraining support for employees of companies within the Media CGU. That agreement, which is linked to the digital acceleration strategy, identifies a maximum quantum which was used to determine a baseline figure; and
- various scenarios for employee take-up (job mobility leave, early retirement), estimated by management on the basis of weighted "high", "average" and "low" take-up, forming the basis of the measurement of the provision as of 30 September 2023.

The amount of the provision as of 30 September 2023 is the best estimate of employee take-up, in light of a start date of 1 September 2023 for employees opting into the plan.
Take-up scenarios will be adjusted at each accounting close to reflect changes in the assumptions underlying the estimates.

11 Non-current provisions

Non-current provisions as of 30 September 2023 mainly comprise provisions for retirement benefit obligations.

As explained in Note 7.4.6 ("Non-current provisions") to the consolidated financial statements for the year ended 31 December 2022, provisions for retirement benefit obligations are calculated using the projected unit credit method. This calculation is sensitive to assumptions regarding the discount rate, the salary inflation rate and the staff turnover rate.

The expense recognised during the period for lump-sum retirement benefits represents a pro rata allocation of the estimated full-year expense, calculated on the basis of the actuarial assumptions and forecasts prepared as of 31 December 2022.

As of 30 September 2023, the assumptions used for the discount rate, salary inflation rate and staff turnover rate were the same as those used as of 31 December 2022. An increase of 12 basis points in the discount rate used to determine lump-sum retirement benefits compared with 31 December 2022 was identified as of 30 September 2023, but not taken into account in the 2023 nine-month financial statements.

An additional increase of 70 basis points in the discount rate would reduce the amount of the provision by €1.8 million; an additional decrease of 70 basis points would increase the amount of the provision by €2.0 million.

An additional increase of 50 basis points in the salary inflation rate in France would increase the amount of the provision by €1.3 million; an additional decrease of 50 basis points would reduce the amount of the provision by €1.2 million.

Those impacts would be recognised in the statement of recognised income and expense.

On 15 April 2023, pension reforms that raise the statutory retirement age in France to 64 were published in the Official Journal. The impact of those reforms is estimated at €5.9 million, and has been recognised within non-current income and expenses for the first nine months of 2023.

12 Dividends paid

The table below shows the dividend per share paid by the TF1 Group on 24 April 2023 in respect of the 2022 financial year.

	Paid in 2023	Paid in 2022
Total dividend (€m)	**105.2**	94.7
Dividend per ordinary share (€)	**0.50**	0.45

11 Events after the reporting period

None.

Télévision Française 1

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